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# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

#### Fines soar in new laws

Substantially increased maximum fines for a range of offences, from careless driving to water-skiing and football hooliganism, are contained in the Government's new Criminal Justice Bill published yesterday.

Important changes concern the liquidated conspiracy law. The offence will now be restricted to agreement to commit a crime and bring punishment for conspiracy into closer line with that for the crime itself.

There are special provisions to make it easier to evict squatters, notably dealing with the common law on forcible entry and detainer which has not been altered since 1823.

### BUSINESS

#### Sterling gains 1c; equities improve

STERLING gained 1.05c to \$1.6630; its weighted depreciation improved to 44.9 (45.3) per cent. The dollar's appreciation narrowed to 0.33 (0.35) per cent.

EQUITIES improved in quiet trading. The FT 30-share index rose 3.7 to 301.3 while the All-Share gained 1.4 per cent. to 130.75.

GILTS also traded quietly, with gains seldom extending beyond 1/2. The Government Securities Index was 0.12 up at 58.22.

GOLD gained \$1 to \$130.1.

MLR REDUCTION to-morrow would not be welcomed by the authorities.

WALL STREET was 2.16 up at 949.38 near the close.

COFFER PRICES fell on the London Metal Exchange, with cash wirebars down 21 1/2 at \$742.5 a tonne. Page 33

#### Drivers hit

Bad drivers will be liable to a summary fine of up to £500 or against £200. For soccer hooligans, who cause criminal damage, the maximum fine rises from \$400 to £1,000.

Water-wasters will face fines of up to £200. Infringements of the abortion laws are to be punished by fines of up to £1,000, a ten-fold increase. The anti-rabies laws are also stiffened with fines of up to £1,000.

#### Warsaw pact chief dies

Marshal Ivan Yakubovskiy, Warsaw Pact commander-in-chief, who failed to attend last week's Pact conference in Bucharest, has died. He was 64. The Marshal played an important role in the invasion of Czechoslovakia in 1968.

#### Winter causes road havoc

One person died and six others were injured in a six-vehicle pile-up on an icy M62 at Burtonwood, Merseyside yesterday as snowed roads and scores of accidents followed the onset of winter conditions. In Kent, a man died in hospital after his car skidded off a six-mile Canterbury. Summer of '76 forecast: very dry. Page 9

#### Rhodesia plan

Britain should nominate an interim government for Rhodesia if agreement on an administration cannot be reached at Geneva, Mr. Garfield Todd, Governor of Southern Rhodesia, who is advising the Xhomo team, said in London yesterday. Page 3

#### Escape probe

Mr. Bruce Millan, Scottish Secretary, told the Commons he is to set up an independent inquiry into the escape from Carrists State Mental Hospital, Inverness. Two mental patients were taken from Carrists after being accused of murder.

#### Murder mix-up

Parly Meehan, the man convicted then cleared of murder in Scotland yesterday heard an Edinburgh High Court judge say his pardon should not have been granted. After the judge's statement, a jury in Inverness, the man alleged to be the real killer, not guilty and also cleared him of giving perjured evidence at Meehan's trial for the murder.

#### Briefly . . .

An Army convoy was hit by a Provisional IRA rocket in Belfast yesterday. There were no casualties. Political story, Page 8

Turkey is to increase its defence spending by 30 per cent. Page 4

English travellers were last night leaving Liverpool's 200-mile fishing zone to meet a midnight deadline.

Commons, who seized £400,000 in a Brussels raid, escaped after killing a five-year-old boy. A number of suspects were later detained.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS	
Assay 51pc 1861	253 + 1
Properties	112 + 1
1 Rubber	212 + 7
1 Rubber	202 + 4
1 Rubber	230 + 8
1 Rubber	234 + 10
1 Rubber	118 + 10
1 Rubber	221 + 3
1 Rubber	120 + 5
1 Rubber	54 + 4
1 Rubber	262 + 8
1 Rubber	238 + 7
1 Rubber	232 + 8
1 Rubber	230 + 10
1 Rubber	861 + 34
1 Rubber	78 + 3
1 Rubber	170 + 3
1 Rubber	55 + 4
FALLS	
ANZ	285 - 15
Allied Retailers	35 - 4
Brassey	221 - 31
BH Prop.	360 - 25
Lead Lease	135 - 20
BP	728 - 10
Wpndr-Burmah	90 - 8
22 Ind.	225 - 35
Northgate	340 - 25
Pancontinental	875 - 75
Peko-Wallend	310 - 20
Sabina	64 - 6
Thies Rides	180 - 15
Western Mining	129 - 9

## Agnelli retains control after £250m. deal

# Libya takes 9.6% stake in Fiat

BY ANTHONY ROBINSON; Turin, December 1

LIBYA is to invest a total of \$415m. (£251.5m.) in Fiat and take a 9.6 per cent. stake in the company, Sig. Gianni Agnelli, the chairman, announced in Turin to-night.

Libya, acting through the Libyan Arab Foreign Bank, becomes the second largest single shareholder in what is Italy's largest private employer, although control of Fiat SpA remains firmly in the hands of the Agnelli family through the holding company IFI.

Two Libyan representatives will sit on the 15-man Fiat Board and one will join the five-man executive committee which meets twice yearly.

Sig. Agnelli met Sig. Giovanni Leone, the Italian President, earlier to-day, to clear the deal with the Government and the unions will be told at a special meeting to-morrow.

Sig. Agnelli said at the company's headquarters that the deal represented a classic petro-motor recycling operation which will strengthen the Italian reserves, provide Fiat with fresh risk capital and "give the group greater tranquility in carrying out its ambitious investment plans."

The Libyan investment is on a three-tier basis involving a straight capital increase, a convertible bond issue and a ten-year loan.

The Libyan bank will subscribe first to a capital increase of nearly Lire15bn. This will raise Fiat's capital to Lire165bn. The 20m. new Ordinary and 10m. Preference shares with a nominal value of Lire500 will carry a surcharge of Lire500. The total Lire6,000 price is nearly four times higher than to-night's closing price for Fiat shares of Lire1,695 (rising to Lire1,800 in hectic after-hours dealing).

Libya will also subscribe to a convertible bond issue of some Lire9bn., at 9.5 per cent. These will be redeemable after 1982 but convertible into Fiat shares at Ordinary and one Preference share per Lire1,000 nominal bond. This would give the Libyans the option of raising its share stake in the company to 13 per cent.

Lastly, the Libyan bank will make a 10-year loan of \$104m. at a spread of 0.25 per cent. above the six-month London inter-bank rate.

In all, Fiat will receive an injection of \$415m. Ironically Fiat is currently highly liquid at this time. Sig. Agnelli said that the time to obtain capital is when it is not needed in a world where capital is going to be increasingly hard and expensive to obtain.

Fiat's total long-term debt currently amounts to a mere Lire400bn., approximately 5 per cent. of the Lire8,000bn. group turnover expected this year. It has been expected that the bank's short-term credits with the banks. Sig. Agnelli said that Fiat had no plans to change its existing investment programme at present, although the timing might now be speeded up.

Following the 10 per cent. stake increase, the share of the Fiat capital will drop from 33 to 29 per cent. This would drop to 29 per cent. if all the bonds are subsequently converted.

Negotiations for the deal took 18 months and followed an approach by the Libyans. The two principal Fiat negotiators were Sig. Cesare Romiti, Fiat's finance director, and Sig. Gianluigi Gabetti, IFI's managing director. The bulk of the negotiations took place at Mediobanca in Milan.

Richard Johns writes: The financial marriage between Fiat and Libya is less improbable than may appear at first sight. One clear straw in the wind appeared two weeks ago with the announcement that Fiat Velocita Industrial had agreed to construct, on Libya's behalf, a lobby and bus assembly plant at Tajoura, near Tripoli, which will produce 4,000 units a year.

Industrialisation is a major priority in Libya's ambitious development programme and the sector has been allocated 424m. Libyan dinars (£870m.), or nearly 30 per cent. of the state's development budget.

Despite his theoretical objections to capitalism, Colonel Khedafi's motive in buying into the Italian group appears to be basically the same as the Shah of Iran in acquiring a stake in Krupp, the West German heavy industrial giant. This is not only to acquire the best in technology but also to secure the vested interest of a major Western company in the success of projects undertaken in Libya.

## IMF may seek 10% limit on money growth

BY DAVID BELL WASHINGTON, Dec. 1

THE International Monetary Fund is believed to have proposed that Britain's overall money supply should not grow by more than 10 per cent. in each of the next two financial years.

This target—compared with a 12 per cent. target for this financial year—is likely to be backed up by stringent performance clauses.

Under these conditions, successive tranches of the \$350m. loan now being negotiated, would only be released if certain interim targets have been met. It is not yet clear what these would be or whether they would have to be met at four- or six-monthly intervals.

Meanwhile, there is some anxiety within the IMF about reports of serious dissension inside the British Cabinet, and some senior officials are known to feel that the way in which the Fund has negotiated the loan may have actually contributed to these disagreements.

It is felt in some quarters that the loan negotiations have gone almost begun to have a life of their own. Moreover, this may be a serious blow to the political opposition to the IMF proposals to develop in the U.K.

As a result, the negotiations may have left the Fund in what one official called a "very exposed position."

It is clear that the IMF feels in a great deal of haste on the way in which the British Government "sells" the package now being discussed in the Cabinet, provided—and this is not taken for granted—such a package can be agreed.

The Fund's target for the public sector borrowing requirement is apparently intended to be somewhat vague because of the difficulties of making precise forecasts at this stage.

Nevertheless, it is understood that the Fund expects the Government to make some reference to a target of about 15bn. in the fiscal year 1977-78, if and when the package is announced.

If such a broad commitment is forthcoming, it is understood that the Fund will not suggest incorporating this figure in the public letter of intent which will accompany the formal signing of the IMF loan agreement.

Reports of disagreement in the Cabinet are continued on Back Page

## Fraser to sell SUITS stake if he is ousted

BY MARGARET REID

SIR HUGH FRASER said last night that he would sell his family's 36 per cent. stake, worth £5m. in Scottish and Universal Investments, if shareholders ousted him as chairman.

Sir Hugh's statement came as a surprise, with a stake of more than 10 per cent. asked questions "with a view to reaching a conclusion on further changes which may be necessary in the management of the company."

On Tuesday a Stock Exchange report criticised "inefficiency and ignorance of financial matters" for which Sir Hugh and his executive staff were largely blamed. But it cleared him of insider trading over some £2m. of net sales of SUITS shares which he had made, chiefly to meet gambling debts.

The institutional investors' committee, which has closely watched the matter, met yesterday and afterwards wrote to Mr. Alec MacKenzie, the senior Scottish chartered accountant who joined the Board in a non-executive capacity in September.

It asked questions to help it reach a final opinion on what should be the future of the company.

Mr. Lawrence Banks, chairman of the institutional shareholders' committee, said: "We have asked for further information and opinions concerning the future management of the company. We're not seeking people's heads at this stage."

But Sir Hugh, hearing of the inquiries about his position, said in an interview last night that he had always made clear he was already resigned as managing director. If shareholders so decided, he would not want to continue holding 36 per cent. of SUITS.

Of his gambling at gaming clubs, Sir Hugh, who is 40 this month, said: "It started when I was 14. I assure you it has finished."

A SUITS Board meeting yesterday accepted the "general fairness" of the Exchange's report, while not accepting specific criticisms of management and efficiency.

Mr. John Brew, partner in Grieson & Co., said Mr. Ramsay would remain a partner in the stockbroking firm.

Of Mr. Ramsay's position at SUITS, he said: "We have to take note of the Stock Exchange report's comment about non-executive directors of companies acting in the context described, and that will have to be resolved."

The Department of Trade was still considering the report, which referred to a connection with Section 185 (b) (iii) of the Companies Act 1948. The Stock Exchange made this reference because "shareholders may not be aware of the information which they might reasonably expect."

## Shipbuilding Bill victory

By Philip Baweston

THE GOVERNMENT paved the way last night for the speedy passage through the Commons of its Bill to nationalise major sections of the aircraft and shipbuilding industries which was blocked by the Lords last session.

By a majority of 18 (236-218) the Government suspended Commons Standing Order 10 to avert a Tory challenge to the Bill's status that could have held it up for several weeks.

The Government's move repeated its tactics last session against claims by Mr. Robin Maxwell Fyfe, Tory MP for Tiverton, that the legislation was hybrid—treating similar companies unequally—and should be given special examination.

Parliament Page 12

## GKN poised to win Sachs fight

BY KENNETH GOODING AND A. H. HERMANN

BRITAIN'S biggest engineering group, GKN, is poised to win the fight for the German clutch manufacturer Sachs, the German clutch manufacturer, in a bid to further strengthen its financial position and that of a "merely perceptible" strengthening of Sachs' position for further information and opinions concerning the future management of the company.

However, the court decided that in this case the merger should be allowed because: 1. Sachs is already a strong competitor of GKN in the clutch market; and 2. No financial or other strengthening of Sachs by GKN could adversely affect remaining competitors or new entrants to the market, because the market is largely regulated by the motor manufacturers. Their promise to buy certain quantities of components can sustain existing competitors and open the door to new entrants.

The full text of the judgment will be made available in January, after which the Carlat Office has one month to decide about an appeal.

GKN announced last December its intention to acquire a 75 per cent. stake in Sachs. Since then it has faced opposition from the divorced wife of one of the Sachs brothers, who is the major shareholder, as well as the Carlat Office. The EEC Commission gave the deal the go-ahead.

GKN bought 25 per cent. of Sachs for DM10m. (£23.9m.) in July. The U.K. group is committed to paying DM25m. for the remaining 50 per cent. it is to take up.

Sachs' manufacturing operations are almost entirely complementary to those of GKN, except that they both supply engineering in the U.K. Sachs, also, makes shock absorbers (it is Europe's biggest manufacturer), vehicle hubs, bicycle motor cycles and a range of small engines.

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## LOMBARD

## An unthinkable way to cut spending

BY ANTHONY HARRIS

IN THE GREAT argument over cutting public spending, there seem to be two main lines of argument. The cutters start from the statement that the borrowing requirement is too high to be compatible with monetary targets; or, if they are more sophisticated, that the interest rates involved in financing it would inhibit industrial investment completely. You cut spending to cut interest rates to stimulate investment.

The defenders of public spending have an answer ready to this one: cutting spending—or, for that matter, raising taxes or charges—will deflate demand still further, and cutting demand is an odd way to stimulate investment. There are two counter-arguments to this for the short term, and a clincher for the longer term. The short-term arguments are first, that capacity is demonstrably short in export industries, where investment should ideally be concentrated.

A second, more sophisticated argument—but also much more speculative—starts from the still unexplained rise in personal savings. A cut in spending, say, would both reduce inflationary expectations, and quite immediately give new heart to the gilt-edged market. Both these effects would tend to reduce the cost of borrowing, and hence to encourage investment, so that there might be little or no deflationary effect in the short run, even.

## Block attempt

As for the long run, the answer is simpler and starker: it is no good talking about an industrial strategy or a transfer of resources if you constantly block every attempt at beginning such a transfer. Even if there is a painful time lag, there is no other way to start the process, and since a spending cut, unlike an increase in taxes, would tend to put heart into the private sector, this is the way to do it.

Fine. There is a case for cutting public spending, and even the Cabinet seems to accept the principle. It is taken in measured doses over a sufficiently long period of time (an odd case, but very characteristic of this Administration, where the victim actually chooses a few and painful forms of execution. I'd take the firing squad). However, it is one thing to agree to a principle, and quite another to put it into practice. Propose any actual cuts, and someone will come up with a heartrending tale of unfulfilled needs, or a highly convincing picture of the uselessness for any imaginable purpose of an unemployed social worker.

More generally, Mr. Albert Booth will remark that he did not take office to become Secretary of State for Unemployment. NALGO will insist on a "No redundancies" rule, the London Borough of Camden will discover a pressing need to recruit new administrators to sort out the chaos created by having too many administrators, and the Cabinet will finally decide to give Nye Bevan another spin in his grave by charming for teeth, spectacles, school meals or to raise local rates. They might just as well put up taxes in the first place.

Now there is a false step in logic in this part of the argument; and before I reveal it, and come to the obscene proposal promised in my headline, see if you can spot it.

No! The false logic is the assumption that cutting spending on services means sacking people.

The answer, it might be wondered, could be put as a question: what about cutting public sector pay?

And if you will give yourself a moment to get used to the idea, we might try shouting it: WHAT ABOUT CUTTING PUBLIC SECTOR PAY?

Indecent, impossible, inhuman, unfair—and undoubtedly the best available answer to the problem.

A cut in real spending with no unemployment to cut in services, no rise in prices, a modest incentive to move human resources into production.

Cash limits

In unthinkable terms, an across-the-board 10 per cent. pay cut in the public services would achieve almost the whole of the £12.6 billion economies the Government is seeking. That no doubt would be too much to stomach; but since Mr. Healey says he wants time, the next stage of wage restraint gives the opportunity. Any formula which puts most of the stress of the next phase on productivity would begin to do the trick.

Cash limits, suitably deployed, are another powerful weapon. Of course, if public servants wanted to negotiate their own productivity deals, and volunteer the corresponding staff cuts, good luck to them. The result is the same: to reduce the relative money cost of a unit of public service. Unthinkable? When everything we have so far thought of has failed, the unthinkable may be the best answer.

## RACING

## Ripe for John Cherry

JOHN CHERRY, winner of eight races on the flat, including this year's Ladbroke Chester Cup and the SNF Cessworth, makes his debut over hurdles in the valuable Garwood Pattern Hurdle at Haydock this afternoon.

H. Thompson-Jones, who trains this exciting prospect for Mr. M. Rittenberg, appears to have made an ideal choice for his charge. The opposition appears to be negligible.

Provided John Cherry jumps adequately, and he is certain to, he is well-schooled—he is unlikely to be extended.

There is the prospect of a good race for the St. Helens Handicap Chase with Junior Partner, Brissade and Kilgus, running. My idea of the winner is Junior Partner, who missed last season owing to injury. He shaped well following his lone absence when third to Glanford Briggs and Vulgar at Leicester on November 16.

With Tony Dickinson's horses finding their form, Autumn Rains is likely to go well in the Amateur Riders' Handicap Hurdle. Netherthorn, a useful performer on the flat last season.

## SALEROOM

## Renoir again tops prices

COINS from Eton College, and Impressionist pictures and drawings from all over the world, dominated the auctions at Sotheby's yesterday. The top price—as was so often the case in the two days of impressionist auctions—was for a Renoir, *La Baladeuse*, a drawing in red crayon and white chalk, which was acquired by a foreign buyer for £47,000, just below the £50,000 (well above estimate) for Marc Chagall's *La Mairie*, a gouache of around 1930; £19,000 for a *Vallée de la Seine* by J. B. Pissarro, and £15,500 for a *Utrillo, Eglise de la Vierge*.

Overseas buyers acquired over 80 per cent. of the lots and the total for the two days of Sotheby's sales was £4,379,340. Impressionists are always an uncertain market, but apart from a few weak sectors yesterday demand was much stronger than the salerooms could have hoped.

Prices were even better at the first day of the sale of (mainly) Roman coins from the collection of Eton College. Eton had acquired the coins over a century ago when the British Museum was disposing of duplicates, and it is selling the bulk of its collection regarded as the best to appear on the market in years, to establish a maintenance fund for its library.

Enthusiastic bidding from foreign dealers brought in a first day total of £92,135, which was £20,000 above the top pre-sale estimate. An Italian private buyer, Serrallunga, gave £21,000.

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## BY DARE WIGAN

is a suggestion for Div. II of the Western Hurdle.

The gates bet of the day ought to be *Zellman* in the Carle Cary Opportunity Hurdle at Wincanton. A sterling effort carried him into fourth place behind Fisher's Cot, Young Arthur, and Oranmore in the Black and White Whisky Handicap Hurdle at Ascot last month.

Fuke Walwyn and M. Floyd, the trainer and rider of Zellman, can compete a double by taking the Carle Cary Handicap Chase with Goy Vulgar.

Two other likely winners at the West Country Meeting are *Mostly Uphill* in the Lord Stables Memorial Cup Handicap Chase and *Gay Kart* in the Stayers Handicap Hurdle.

At Warwick, Fred Winter appears to have a good chance of landing the Gordon Stakes Handicap Hurdle with *Tartar Rose* and Div. II of the Askeby Novices' Hurdle with Jackdaddy.

## BY ANTONY THORNCROFT

## Renoir again tops prices

for £53,853 with Dobrick giving £2,300 for a sapphire and diamond bangle; Warwick and Warwick disposed of stamps for £55,125; and the Bonham's auction of the two hours' total of £15,027, with just 7 per cent. unsold. *Burnham Beeches* by Myles Birker Foster was bought by Pym's for £700.

On Tuesday Sotheby's sold manuscripts from the Phillips collection for £157,000, bringing its total to date from this great library to £3,233,933. The Italian Institute paid £19,000, around twice the forecast, for an early 14th-century manuscript, attributed to Joachim of Fiore, containing mystical texts, while two illuminated books of the *Grandes Chroniques de France*, written around 1400, went to the London dealer King for £16,000.

At Phillips an auction record was established for a postcard, *Roland Laubel*, the coin dealer, paid £400 for a charity card published in 1903 to celebrate a balloon flight from Manchester.

## History of pop on LWT

A film series about the history of pop music will be screened on Independent Television in the New Year. Called *All You Need is Love*, the 17 one-hour-long shows have taken several years to prepare.

The series was made by Mr. Tony Palmer, a film director. It has been bought by London Weekend Television. The late Mr. Cyril Bennett, former pop

gramme controller of London Weekend, was artistic consultant on the programmes.

Each programme in the series, which will be shown in the New Year, will trace the history of pop music from its beginnings in the 1920s to the present day. The series will be shown in the New Year, and will trace the history of pop music from its beginnings in the 1920s to the present day.

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10-10	874	2047	3242	4397	5491	6539	7637	8696	9008
	890	2060	3255	4410	5504	6552	7650	8709	9021
	905	2075	3270	4425	5519	6567	7665	8724	9036
	920	2090	3285	4440	5534	6582	7680	8739	9051
	935	2105	3300	4455	5549	6597	7695	8754	9066
	950	2120	3315	4470	5564	6612	7710	8769	9081
	965	2135	3330	4485	5579	6627	7725	8784	9096
	980	2150	3345	4500	5594	6642	7740	8799	9111
	995	2165	3360	4515	5609	6657	7755	8814	9126
	1010	2180	3375	4530	5624	6672	7770	8829	9141
	1025	2195	3390	4545	5639	6687	7785	8844	9156
	1040	2210	3405	4560	5654	6702	7800	8859	9171
	1055	2225	3420	4575	5669	6717	7815	8874	9186
	1070	2240	3435	4590	5684	6732	7830	8889	9201
	1085	2255	3450	4605	5699	6747	7845	8904	9216
	1100	2270	3465	4620	5714	6762	7860	8919	9231
	1115	2285	3480	4635	5729	6777	7875	8934	9246
	1130	2300	3495	4650	5744	6792	7890	8949	9261
	1145	2315	3510	4665	5759	6807	7905	8964	9276
	1160	2330	3525	4680	5774	6822	7920	8979	9291
	1175	2345	3540	4695	5789	6837	7935	8994	9306
	1190	2360	3555	4710	5804	6852	7950	9009	9321
	1205	2375	3570	4725	5819	6867	7965	9024	9336
	1220	2390	3585	4740	5834	6882	7980	9039	9351
	1235	2405	3600	4755	5849	6897	7995	9054	9366
	1250	2420	3615	4770	5864	6912	8010	9069	9381
	1265	2435	3630	4785	5879	6927	8025	9084	9396
	1280	2450	3645	4800	5894	6942	8040	9099	9411
	1295	2465	3660	4815	5909	6957	8055	9114	9426
	1310	2480	3675	4830	5924	6972	8070	9129	9441
	1325	2495	3690	4845	5939	6987	8085	9144	9456
	1340	2510	3705	4860	5954	7002	8100	9159	9471
	1355	2525	3720	4875	5969	7017	8115	9174	9486
	1370	2540	3735	4890	5984	7032	8130	9189	9501
	1385	2555	3750	4905	5999	7047	8145	9204	9516
	1400	2570	3765	4920	6014	7062	8160	9219	9531
	1415	2585	3780	4935	6029	7077	8175	9234	9546
	1430	2600	3795	4950	6044	7092	8190	9249	9561
	1445	2615	3810	4965	6059	7107	8205	9264	9576
	1460	2630	3825	4980	6074	7122	8220	9279	9591
	1475	2645	3840	4995	6089	7137	8235	9294	9606
	1490	2660	3855	5010	6104	7152	8250	9309	9621
	1505	2675	3870	5025	6119	7167	8265	9324	9636
	1520	2690	3885	5040	6134	7182	8280	9339	9651
	1535	2705	3900	5055	6149	7197	8295	9354	9666
	1550	2720	3915	5070	6164	7212	8310	9369	9681
	1565	2735	3930	5085	6179	7227	8325	9384	9696
	1580	2750	3945	5100	6194	7242	8340	9399	9711
	1595	2765	3960	5115	6209	7257	8355	9414	9726
	1610	2780	3975	5130	6224	7272	8370	9429	9741
	1625	2795	3990	5145	6239	7287	8385	9444	9756
	1640	2810	4005	5160	6254	7302	8400	9459	9771
	1655	2825	4020	5175	6269	7317	8415	9474	9786
	1670	2840	4035	5190	6284	7332	8430	9489	9801
	1685	2855	4050	5205	6299	7347	8445	9504	9816
	1700	2870	4065	5220	6314	7362	8460	9519	9831
	1715	2885	4080	5235	6329	7377	8475	9534	9846
	1730	2900	4095	5250	6344	7392	8490	9549	9861
	1745	2915	4110	5265	6359	7407	8505	9564	9876
	1760	2930	4125	5280	6374	7422	8520	9579	9891
	1775	2945	4140	5295	6389	7437	8535	9594	9906
	1790	2960	4155	5310	6404	7452	8550	9609	9921
	1805	2975	4170	5325	6419	7467	8565	9624	9936
	1820	2990	4185	5340	6434	7482	8580	9639	9951
	1835	3005	4200	5355	6449	7497	8595	9654	9966
	1850	3020	4215	5370	6464	7512	8610	9669	9981
	1865	3035	4230	5385	6479	7527	8625	9684	9996
	1880	3050	4245	5400	6494	7542	8640	9699	10011
	1895	3065	4260	5415	6509	7557	8655	9714	10026
	1910	3080	4275	5430	6524	7572	8670	9729	10041
	1925	3095	4290	5445	6539	7587	8685	9744	10056
	1940	3110	4305	5460	6554	7602	8700	9759	10071
	1955	3125	4320	5475	6569	7617	8715	9774	10086
	1970	3140	4335	5490	6584	7632	8730	9789	10101
	1985	3155	4350	5505	6599	7647	8745	9804	10116
	2000	3170	4365	5520	6614	7662	8760	9819	10131
	2015	3185	4380	5535	6629	7677	8775	9834	10146
	2030	3200	4395	5550	6644	7692	8790	9849	10161
	2045	3215	4410	5565	6659	7707	8805	9864	10176
	2060	3230	4425	5580	6674	7722	8820	9879	10191
	2075	3245	4440	5595	6689	7737	8835	9894	10206
	2090	3260	4455	5610	6704	7752	8850	9909	10221
	2105	3275	4470	5625	6719	7767	8865	9924	10236
	2120	3290	4485	5640	6734	7782	8880	9939	10251
	2135	3305	4500	5655	6749	7797	8895	9954	10266
	2150	3320	4515	5670	6764	7812	8910	9969	10281
	2165	3335	4530	5685	6779	7827	8925	9984	10296
	2180	3350	4545	5700	6794	7842	8940	9999	10311
	2195	3365	4560	5715	6809	7857	8955	10014	10326
	2210	3380	4575	5730	6824	7872	8970	10029	10341
	2225	3395	4590	5745	6839	7887	8985	10044	10356
	2240	3410	4605	5760	6854	7902	9000	10059	10371
	2255	3425	4620	5775	6869	7917	9015	10074	10386
	2270	3440	4635	5790	6884	7932	9030	10089	10401
	2285	3455	4650	5805	6899	7947	9045	10104	10416
	2300	3470	4665	5820	6914	7962	9060	10119	10431
	2315	3485	4680	5835	6929	7977	9075	10134	10446
	2330	3500	4695	5850	6944	7992	9090	10149	10461
	2345	3515	4710	5865	6959	8007	9105	10164	10476
	2360	3530	4725	5880	6974	8022	9120	10179	10491
	2375	3545	4740	5895	6989	8037	9135	10194	10506
	2390	3560	4755	5910	7004	8052	9150	10209	10521
	2405	3575	4770	5925	7019	8067	9165	10224	10536
	2420	3590	4785	5940	7034	8082	9180	10239	10551
	2435	3605	4800	5955	7049	8097	9195	10254	10566
	2450	3620	4815	5970	7064	8112	9210	10269	10581
	2465	3635	4830	5985	7079	8127	9225	10284	10596
	2480	3650	4845	6000	7094	8142	9240	10299	10611
	2495	3665	4860	6015	7109	8157	9255	10314	10626
	2510	3680	4875	6030	7124	8172	9270	10329	10641
	2525	3695	4890	6045	7139	8187	9285	10344	10656
	2540	3710	4905	6060	7154	8202	9300	10359	10671
	2555	3725	4920	6075	7169	8217	9315	10374	10686
	2570	3740	4935	6090	7184	8232	9330	10389	10701
	2585	3755	4950	6105	7199	8247	9345	10404	10716
	2600	3770	4965	6120	7214	8262	9360	10419	10731
	2615	3785	4980	6135	7229	8277	9375	10434	10746
	2630	3800	4995	6150	7244	8292	9390	10449	10761
	2645	3815	5010	6165	7259	8307	9405	10464	10776
	2660	3830	5025	6180	7274	8322	9420	10479	10791
	2675	3845	5040	6195	7289	8337	9435	10494	10806
	2690	3860	5055	6210	7304	8352	9450	10509	10821
	2705	3875	5070	6225	7319	8367	9465	10524	10836
	2720	3890	5085	6240	7334	8382	9480	10539	10851
	2735	3905	5100	6255	7349	8397	9495	10554	10866
	2750	3920	5115	6270	7364	8412	9510	10569	10881
	2765	3935	5130	6285	7379	8427	9525	10584	10896
	2780	3950	5145	6300	7394	8442	9540	10599	10911
	2795	3965	5160	6315	7409	8457	9555	10614	10926
	2810	3980	5175	6330	7424	8472	9570	10629	10941
	2825	3995	5190	6345	7439	8487	9585	10644	10956
	2840	4010	5205	6360	7454	8502	9600	10659	10971
	2855	4025	5220	6375	7469	8517	9615	10674	10986
	2870	4040	5235	6390	7484	8532	9630	10689	11001
	2885	4055	5250	6405	7499	8547	9645	10704	11016
	2900	4070	5265	6420	7514	8562	9660	10719	11031
	2915	4085	5280	6435	7529	8577	9675	10734	11046
	2930	4100	5295	6450	7544				



Festival Hall

# Lazar Berman

by DOMINIC GILL

The belated British debut of the Russian pianist Lazar Berman on Tuesday evening, at the age of 46, and at the height of a distinguished career pursued until now entirely within the Soviet bloc, will certainly be written down as one of the odder quirks of Anglo-Soviet musical history. We have heard enough of him now on record, since the Berman boom began a year or so ago, to know that he has a virtuoso technique of the very highest order and that he is a spectacular, if not always a very subtle or poetical, exponent of the better-known warhorses of the romantic repertoire. His account on Tuesday of Rakhmaninov's third concerto with the LSO under Claudio Abbado confirmed that view, but whether it justified any of the wider claims made by the borborygmic publicity industry on his behalf—that Berman is, for example, the greatest Soviet discovery since Gilels or Richter—was a question still left very much open to doubt.

Technically—or at least in part technically—for technique does not finish with dexterity alone—it was a brilliant and often very exciting performance. It is always impressive to hear chains of blizzards and chords thrown off with the ease, nonchalance and eye-blinking speed which Berman unleashes falling through three times as fast as the piano, always stirring in its way to hear a pianist who can play as accurately, and at the same time as loudly, as Berman can—and who can make a real *pianissimo* leggero speak clearly as he did once or twice to spine-tling effect, above the rustle of a busy orchestral texture.

It was on one level such a fine performance, an intelligent and honest display of extraordinary virtuosity, scrupulously faithful to the surface of the music (except for a silly cut in the finale) to Rakhmaninov's score—that the similarly powerful

absence on another level of still more important qualities was all the more disturbing. Difficult to define them: a certain living germ, an essence of vivaciousness and spontaneity of deep subterranean current; a lack not of force, but of manic grandeur; Rakhmaninovian "breadth" and breath in the phrasing—in the last analysis, that indefinable, alchemical, Rakhmaninovian blend of proud-impudence and melancholy ardour. (The composer's own recorded performance, or Horowitz's still more supercharged, explosive, both point instantly, where words fail, to the missing quality.)

Other details also: the very rugged, untextured nature of Berman's sound, its endless voicing, by the lights of Gilels or Richter, high-class but essentially careless pianism. The inner nonchalance and reserve of the playing within an exterior frame of such magnificence and monumental control, a strange effect. The brutal sound of the biggest fortissimos, an enormous, but to my ears lifeless, timbre: in the cadenza of the first movement, a sonority which went right through the tone of the instrument, with almost every percussion of the keys for two pages of the score. The last minutes of the finale were magnificent: in electric communion with Abbado, Berman struck sparks from the music in a way which called on (yet never seemed likely to exhaust) every one of his astonishing physical reserves. A puzzling performance, which left a great number of questions unanswered: perhaps feelings will be clearer next Sunday, when Berman plays a solo recital of Prokofiev and Liszt at the Festival Hall.

Goldsmiths' Hall

# Andras Schiff

by PAUL GRIFFITHS

The hall of the Worshipful Company of Goldsmiths is a most magnificent room for music, but there is the danger that the impressive ambience will impose itself too much and jar with what is being heard. Polychrome stucco, gilt and red velvet, long mirrors and square marble pillars might profitably accompany a recital of the high Baroque; for piano music by Beethoven and Schumann on Tuesday evening they seemed a little grand and public, even in a private recital of the City Music Society.

But perhaps this is to be excessively fainthearted. The reason for a certain disappointment in the second half of Andras Schiff's performance, when he played the Beethoven G major Sonata op. 14 no. 2 and Schumann's *Etudes symphoniques*, may be found rather in his style than in the furnishings. He is a pianist of pleasant, agreeable tone, but that tone was too steady and unvaried for the younger Beethoven or, still more so, for a big work by Schumann. "There was a great deal to admire in his sense of proportion, which gave shape to phrases and to whole movements, but a livelier imagination might have turned decent performances into exceptional ones."

In his playing of Bach, however, there was no cause for complaint, except perhaps from those

who would object to Bach being performed on the piano at all. Of course, the modern piano is very far indeed from the instruments for which Bach composed, but Schiff was sufficiently sensitive to the music to make it work. Only very rarely, in the spread chords of the Overture in the B minor Partita for instance, was he defeated by material which can only sound right on a period instrument. Otherwise he offered a fully realised view of Bach in piano terms, keeping enough in reserve to hold attention through two dance sequences, the French Suite No. 5 as well as the Partita.

He did this not by using the obvious ploy of making the piano sound as much as possible like a harpsichord, but by concentrating on what the piano can do well. In the Sarabandes of the two works to cite his most successful re-creations, he made the melodic line fluent and gently expressive, holding it in an even tempo and a clear, pastel texture. Faster movements, on the other hand, he handled with a rhythmic character and momentum, but not so far as to make the music seem merely quirky or excitable. This was Bach in the hands of a refined, careful and, above all, feeling musician.

Bush Theatre

# The Fosdyke Saga

by MICHAEL COVENEY

This is proving a memorable week for small shows with everything White Kite Camp-battles away with the Illuminati in a Liverpool attic. Alan Plater brings to glorious three dimensional life the Fosdykes, long-running habitués of the Daily Mirror. Cartoonist and Bill Tidy's endless tale of north country folk is here restricted to the last years of this century's growth of the tripe industry and the First World War. In the Lancashire land of pits and grime, L. S. Lewry and Adrian Mitchell's dad, Josiah Fosdyke leads his wife, sons and virginal daughter to lower middle class prosperity in the shadow of the gullible bosses, represented by one actor, Philip Jackson. Mrs. Jackson plays the parts of tripe magnate Ben Ditchley; his lusty son Roger; a newspaper man; a prison warden; King George V; Emily should be with us in some form O'Malley (a powerful Liverpool

liar pugilist); Schmidt, the Futonist; sausage dealer and righter-pilot, Baron von Richt-oven; and the Salford Ripper. The whole brilliant entertainment is guided from the piano by the Fosdykes' second son (Kevin Kivett) and vigorously encompas- ses elements of Building Drummond, concert party and Punch and Judy. Constant throughout is a healthy sense of literate parody ("Leeds hath not anything to show more fair...") and spoof patriotism—the family anthem of "Fosdykes Arise" is a slow hymn deftly encapsulating the phenomenon of a nation of shopkeepers in the wake of the Industrial Revolution. Mike Bradwell, founder of Hull Truck, supplies the impeccable, detailed direction and, in addition to those mentioned, Roger Sloman, Jane Wood, Michael Ransom, and parts of tripe magnate Ben Ditchley; his lusty son Roger; a newspaper man; a prison warden; King George V; Emily should be with us in some form O'Malley (a powerful Liverpool

# Shell Music Scholarship

Shell U.K. Oil yesterday announced a National Music Scholarship for young instrumentalists. Value at more than £3,000, their aim is to discover and encourage outstanding young talent—and to administer the prize fund in the "best interests of the winner's artistic development". It is also designed to provide practical support up to the point of his or her entering the profession.

In association with the London Symphony Orchestra and the Guildhall School of Music and Drama, the first competition for flute, oboe, clarinet, bassoon and horn players will be held in three stages during presentation to area and national finalists will be made at a series of concerts given by the LSO throughout the country on a tour sponsored by Shell U.K. Oil. Although the age range will be from 14 to 20 years, outstanding young players under the age of 14 may apply and will be eligible for any prize other than the first

for practical schooling reasons. It is proposed to hold the final with the Guildhall School Chamber Orchestra in their new premises at the Barbican. The orchestra's principal conductor, Andre Previn, will be chairman of the National Final judging panel, and other members will include Allen Perceval, Principal of the Guildhall School of Music and Drama, Gerald McDonald, the Administrator of the scholarship competition, and principal players of the LSO who will with local adjudicators, conduct local auditions throughout the country. Requests for fuller details of the competition and for application forms should be sent to Gerald McDonald, Administrator, Shell-London Symphony Orchestra, Musical Scholarship, Regent Arcade, House 19-21, Regent Street, London W1V 2LN. There is no entrance fee and the closing date for applications is January 14, 1977.



Two of Philip Prowse's costume designs for Covent Garden's new production of Strauss's 'Ariadne auf Naxos,' which opens on Monday, December 6. Zerbibetta on the left, the Tenor on the right.

Record review

# Garden, jungle and river

by ANTHONY CURTIS

The Secret Garden by Frances Hodgson Burnett read by Glenda Jackson. Argo ZSW 543/6 £10.00. Cassette K4 J15 £8.95

The Secret Garden by Frances Hodgson Burnett read by Claire Bloom. Caedmon TC 1463 £3.45. Cassette CDL 51463 £4.75

The Glenda Jackson Story Book Vol. 2, Argo ZSW 560 £2.50

Hans Christian Andersen: His Poems and the Story of his Life told by Siobhan McKenna. Caedmon TC 1366 £3.45. Cassette CDL 51366 £4.75

Little Women by Louisa M. Alcott. Three excerpts read by Julie Harris. Caedmon TC 1470 £3.45. Cassette CDL 51470 £4.75

Kipling: More Jungle Stories read by Ian Richardson. Argo ZSW 528/30 £7.50. Cassette K3 K36 £8.25

The Goshawk by T. H. White read by Duncan Carse. Argo ZSW 555 £2.50

Tom Sawyer by Mark Twain read by Bing Crosby. Argo ZSW 561/3. Cassette K3 K34 £8.25

People who have been disappointed by Glenda Jackson's performance as Sarah Bernhardt in the movie should turn for consolation to her four LPs of a work as indigenous as Yorkshire pudding, her recording of Frances Hodgson Burnett's novel *The Secret Garden*. Although strictly speaking it is an abridged version, it seems in its slow cumulative magic as if we are hearing the entire book. Miss Jackson reads superbly. She establishes at the start a tone of cosseted imperiousness for the orphaned heroine Mary Lennox, softly nurtured in British India until after the death of both parents in a cholera epidemic, then transplanted to misshapen, mournful Misselthwaite Manor. Miss Jackson gradually adds warmth and eagerness as Mistress Mary's natural curiosity about the other inhabitants of the house, particularly about Colin the so-called cripple, forces her out of her isolation, as through her dis-

covery of the secret garden she sets in train the process of healing and reconciliation between the estranged father and son. It is her contact with the hard-hitting local people, the servants at the Manor and the gardener, that works the change in her. Miss Jackson gets her tongue round their broad Yorkshire vowels with relish. These folk become just as real, if not more so, as the gentle-voiced boy and girl at the centre. Harriet Ullish, the producer, has introduced discreet musical and sound effects by Kenny Clayton to underline some of the climaxes in the narrative. Undoubtedly this set is a long haul but an utterly absorbing one. And no-one is going to be so foolish as to listen to it all in one go. My wife and I rationed ourselves to a side a night and we could hardly wait to finish dinner to switch on.

The alternative disc from Caedmon with Claire Bloom goes, I fear, suffer by comparison. This is even more abridged, being all contained on one LP, and you just cannot convey the modulating rhythm of the book in so selective a fashion. But apart from that Claire Bloom does not seem to be fully relating to the characters.

An unfortunate tone of reading a story to the little ones before bed-time creeps into her voice: which is fatal. For a single record which really might hold very young ones in thrall I turn to *The Glenda Jackson Story Book Vol. 2* which contains three different items very simply and straightforwardly read. These are "The Frog Prince," "The Story of Joseph" and "The Emperor's New Clothes." How nice to hear the latter in its original form for a change and not either sung by Danny Kaye or quoted by political commentators. It is still a very good story.

Hans Andersen, its author, also wrote a great many poems. Murray Brown has linked up a selection of these to mini-biography of the Danish writer in *Hans Christian Andersen: His poems and the story of his life* which is read by Siobhan McKenna with poignant melancholy: the unfamiliar material sheds a new light on Andersen, but I found it all just a bit cloying.

Male chauvinism aside I just don't think it is fair for a member of my sex to pass judgment on a recording of that feminine book par excellence, *Little Women*. May I then merely put on record (no pun intended) the fact that the American actress Julie Harris speaks three extracts from Louisa May Alcott's classic, "A Merry Christmas" (the play-acting bit), "Cousin" and "The First Wedding," and that the social attitudes inherent in them seemed to me to be infinitely more remote than those in, say, the treasures of Pompeii.

The latest Kipling album, *More Jungle Stories* read by Ian Richardson, might be somewhat unwieldy which Duncan Carse reads on a to fit into a boy's Christmas single record. He brings out strongly all the technicalities of a prove highly acceptable. This the falcon's long frustrating contains three records each of training sessions while finding which tells a single story, "Red Dog," "Rikki-Tikki-Tavi" and "The King's Ankus." Kipling never wrote anything more powerful than the latter which seemed to me to be just the whole of *Tom Sawyer* with right: both precise, pedantic, almost and yet fiercely, authoritatively compelling. He dwells magnificently over the famous description of the Hoard and treasure in the Cold Lair and course effortlessly under par.

he manages a truly appalling voice for the White Cobra, its guardian. His impersonation of the other inhabitants of the jungle who crop up, pythons, mongooses, wolves, dholes, rats, displays a fearsome vocal range. Clearly these stories were meant to be told even more than read. T. H. White was, I suppose, a sort of latter-day Kipling. Certainly no-one since Kipling has been so adept at describing the battle of wills between a human being and a wildlife creature as the two become locked in a long struggle for mastery out of which a kind of partnership based on affection and respect will perforce emerge. Such a struggle was the theme of *The Goshawk* which Duncan Carse reads on a to fit into a boy's Christmas single record. He brings out strongly all the technicalities of a prove highly acceptable. This the falcon's long frustrating contains three records each of training sessions while finding which tells a single story, "Red Dog," "Rikki-Tikki-Tavi" and "The King's Ankus." Kipling never wrote anything more powerful than the latter which seemed to me to be just the whole of *Tom Sawyer* with right: both precise, pedantic, almost and yet fiercely, authoritatively compelling. He dwells magnificently over the famous description of the Hoard and treasure in the Cold Lair and course effortlessly under par.

Finally, the voice of Ole Man River from Bing Crosby. Not in song this time but reading in a relaxed lazy drawl practically seems to me to be just the whole of *Tom Sawyer* with right: both precise, pedantic, almost and yet fiercely, authoritatively compelling. He dwells magnificently over the famous description of the Hoard and treasure in the Cold Lair and course effortlessly under par.

For a single record which really might hold very young ones in thrall I turn to *The Glenda Jackson Story Book Vol. 2* which contains three different items very simply and straightforwardly read. These are "The Frog Prince," "The Story of Joseph" and "The Emperor's New Clothes." How nice to hear the latter in its original form for a change and not either sung by Danny Kaye or quoted by political commentators. It is still a very good story.

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Sadler's Wells Theatre

# London Contemporary

## Dance Theatre

by CLEMENT CRISP

A work new to London opened the Contemporary Dance Theatre's season at Sadler's Wells on Tuesday—Robert Cohan's *Nymphéas*. The inspiration behind the piece is the series of water lily paintings that obsessed Monet during the latter years of his life, notably the great sequence of panels housed in the Orangerie. Their radiant colours are dappled on the leopards worn by the dozen members of the cast, and Norberto Chiesa's set is a simple white wall, divided half-way up to produce a second level on which Cohan can manoeuvre his dancers.

For music Cohan has turned to Debussy's piano writings: some preludes, the first arabesque, *La plus que lente*, waltz, *Pavane*, and the sickly *Clair de lune*, and these are acceptably played by Alberto Portuguese. The choreographic text is made up of solos, group work, duets, which insist, not surprisingly, upon a status undulating manner, and the ballet is an efficient introduction to the company. But despite the Monet/Debussy pairing, it does not seem to me to add anything to either creator's vision of the world, nor explain the fascination of shifting light in paint or sound.

Its best moments are in a duet for Robert North and Linda Gibbs, tender and delicately shaped.

The two other pieces in the programme were established favourites. Siobhan Davies' *Diary* is a series of danced entries, clean in texture and unmannered in expression, that chart her feelings during the summer of 1975. It is attractive, succinct, dances drawn with a fine and sensitive line. Robert North's *Trou Game* is one of the best show-cases for male dancing I have seen, a series of male dancing which added fascination by what seems a natural physical rubato—and alone in the company he understands the importance of *pausament*. It is a flaw I find in LCDT dancers that arms and shoulders are often dull and uninflected: in North's dancing we can see them fully and sensitively used.

Elizabeth Hall

# Juilliard Quartet

by MAX LOPPERT

A programme that combines Schubert's Quartet in G (Op. 181, D.887), the Bartok Fourth, and Mozart's A major, K.484, brings an evening of musical richness hard to equal. To add to its pleasure, the string quartet was the Juilliard, fine-nerved, athletic and intensely sensitive as few other groups to-day. If, in the event, the evening seemed a little slow to reveal its splendour, that might be because in the Mozart, the sharpness and liveliness of the ensemble was perhaps insufficient compensation for tone not yet smooth or settled in—the bow of the leader, Robert Mann, tended to add a jumpy note to music distinguished above all by its impeccable seamlessness.

The Bartok quartet immediately electrified attention. The music retains all its original strength, excitement, and bold, brilliant colour in the Juilliard performance—despite the major changes in quartet personnel since those unforgettable recordings of the six quartets were made, the present group still masters the style, jagged but never too violent, fleet but never

too self-conscious, to perfection. The first of the two scherzos flickered and dazzled, as light of foot (in its way) as a Mendelssohn fairy scherzo. A broken cello string at the close of the penultimate movement failed to dampen the vitality.

Schubert's extraordinary quartet in G, major/minor, as the programme, well-filled with Hugh Wood's characteristically thoughtful programme notes, rightly gives it) was played with all the wintry fury that the keenly chiselled edge of the Juilliard tone makes possible. A want of pathos in the second movement could perhaps be explained by the failure of the excellent cellist first, then the others who take up his quizzical "folk song" to invest at least part of its phrasing with a romantic portamento. Romance, is, it seems, a style, a feeling, a spirit generally eschewed by the group: for most of the Schubert, as wide-ranging, heart-and-mind-wrenching modulations were seized on and explored with tremendous dramatic appetite. It was little missed.

Square One

# In the Boom Boom Room

by B. A. YOUNG

David Rabe's work wins awards regularly in New York but has been unplayed in London until now. *In the Boom Boom Room* is his latest play. Its audience is an intrinsically American one that one can see why management might consider it of minority interest. (Also it takes a company of at least 12.) But it is a moving piece, and some company that enters for minor theatres—say the National Theatre—might have let us see it. However, we have an effective production by the able American Repertory Company in their make-do cellar under a pub at 284, Edgware Road, the last production of their season and possibly the last at Square One. Big Tom's Boom Boom Room is a bar in Philadelphia where Chrissy (Jane Hallaren) works

as a go-go girl. Chrissy's life and time are illustrated by a series of individual encounters—with her parents, her square, wet boyfriend Eric, her gay neighbour Guy, a tough ex-soldier truck driver, Al, and his acidhead friend Ralphie, Susan, a bisexual fellow-darvasee at the Boom Boom Room. There is no interaction between any of these contacts, save for Al and Ralphie, who begin with a sort of double-act rape, and her father and mother.

Through these encounters we build up a Jesus of Chrissy. She is terribly simple, and her ambitions, desperately proclaimed in the fine scene that ends Act One, are simple too: she wants to be a really great go-go dancer, and she wants to have a lasting relationship with a man. "And all I end up with," she blazes at the well-meaning Guy, "is a fagot in a bunny suit."

Jane Hallaren gives a most touching performance as Chrissy, a little skinny girl with bright eyes in a monkey face. (I doubt if even a go-go dancer would stand so consistently with her toes turned in, though). There is no room for subtlety in her playing, for subtlety isn't one of Chrissy's things; she meets her near-rape, her break with Eric, her enquiry into the possibility of having experienced childhood incest, with the same flat, toneless voice, that varies in pitch but never in understanding. There is good acting too from Susan the other dancer (Robyn Goodman), Al (Paul Geier), Eric (Tom Kleb), and especially from Mom and Pop (Jill Ingham and Manning Redwood), a pathetic couple who are drifting into senility without even much ability to communicate with each other.

I strongly recommend a visit to Square One, which may have to close by Christmas when funds will be exhausted.



# We're dreaming of a Black & White Christmas.







## OVERSEAS NEWS

# U.K. should name interim Rhodesia regime—Todd

BY OUR FOREIGN STAFF

BRITAIN should nominate an interim Government for Rhodesia if agreement on an administration cannot be reached by all delegations at the Geneva conference.

Making this suggestion in London yesterday, Mr. Garfield Todd, former Premier of Southern Rhodesia and now political adviser to the Nkomo delegation in Geneva, said a lack of will on the part of the British Government could result in failure of the Geneva conference.

He suggested specifically that Britain appoint a Minister for Rhodesia, responsible for the complete responsibility for Rhodesia, in an attempt to galvanise the conference into action.

Mr. Todd said that if necessary, the Government should appoint an interim Government. But he made clear that he was not speaking with a mandate from his own or any other delegation in Geneva and could not gauge their reaction to his proposal.

"The interim government, I'm afraid, will not be produced by Mr. Ivor Richard seeking only the goodwill of five competing delegations," he declared.

Underlining the necessity for a positive British role now, Mr. Todd added: "Our difficulty at the moment is that we are over-emphasising the importance of the eight or nine-month period of the interim government and we look as if we may be pre-

judging the whole future of Rhodesia and peace in Southern Rhodesia."

In London, Mr. Anthony Crossland, the Foreign Secretary, discussed the future of Rhodesia with Foreign Office officials, including Sir Anthony Duff, Mr. Richard's most senior Foreign Office adviser.

It is understood that while Mr. Crossland is prepared to accept a more positive role for Britain in a Rhodesian interim government—including at least the appointment of a governor-general type figure—it has not yet been decided how this trump card should be played in terms of conference strategy.

In view of the diametrically opposed positions of black and white delegations, British strategy now must be designed if at all possible to avoid a recurrence of the deadlock of the past few weeks.

The position could well be further complicated by the imminent arrival of a delegation of the Mozambique based Zimbabwe People's Army—ZiPa. The only known names from the ZiPa delegation are of members of Zanu, nominal supporters of Mr. Robert Mugabe.

However, these men have differences with the main Mugabe delegation, and of the overall

## Peres tests U.S. arms prospects

By L. Daniel

TEL AVIV, Dec. 1.

MR. SHIMON PERES, the Israeli Defence Minister, left this morning on a trip that will take him to the U.S. to clarify the prospects of future arms supplies under the Carter Administration, including supplies of the F-16 fighter jets.

Answering questions before his departure, Mr. Peres said arms shipments from the U.S. have not been delayed but several points must be clarified. "We need hundreds of millions of dollars to strengthen our military inventory," he said. He is expected to try to convince the Carter entourage of the need for an increase in U.S. loans and grants for this purpose.

He will also discuss with Mr. Donald Rumsfeld, the U.S. Defence Secretary, the possibilities of production in Israel of certain arms—or the production of parts for U.S. parties which Israel can manufacture.

Asked whether this trip indicates that he does not expect major problems along the Lebanese border, Mr. Peres said: "Anything is possible, but the present state of affairs in Southern Lebanon indicates that the Lebanese residents are maintaining the friendly relations established."

Israel has announced that it will not tolerate the presence of the Palestine Liberation Organisation or Syrian troops near its border.

The Israeli Government has approved a compromise draft budget of 23,750m.—24,000m. less than the original draft—in the hope of keeping inflation to a maximum of 25 per cent. instead of the 32 per cent. originally envisaged. The draft represents an increase of 36 per cent. over the 1976/77 budget.

Among the measures adopted for 1977—an election year—is the freezing of VAT at the present 8 per cent., a slower phasing out of food subsidies, and an overall devaluation of the Israeli pound of 20 per cent.

## THE TACHING OILFIELD

# Forming Maoist man

BY A SPECIAL CORRESPONDENT

DESOLATE, isolated, with mid-winter temperatures plummeting to a scarcely bearable 30 or 40 degrees below freezing, Taching in China's north eastern Heilongjiang province is the country's leading oilfield.

In summer a sodden marshland, in winter a frozen waste, Taching produces 40 per cent. of the country's annual 80m. tonnes of oil, a significant proportion of its foreign exchange earnings and a major part of the Gross National Product.

## Promoted

The giant field made China self-sufficient in oil in the early 1960s, but it is more than just an oilfield. Promoted and developed as a working model of a socialist enterprise, Taching has been stamped with the seal of approval of Chairman Mao himself. An industrial paragon and prototype for all China's industry, along with oil it turns out party cadres who establish their revolutionary credentials in the oilfield before moving on.

For the workers there is no escape from the toughest and bitterest working conditions in a tough country.

Taching's half a million people live in primitive conditions, often in the mud houses first built in the 1960s and only a small advance on the holes in the ground where the oil workers escaped death from exposure in the early days.

Even now houses have no running water, only outside toilets shared by a dozen or more families and communal bathrooms.

The average wage is less than Yuan 60 (£20) a month, with a Yuan 6 monthly allowance for living in Taching. Entertainment is three nights a week at political discussion sessions and one hour of television four nights a week.

While cadres extolled the virtues of plain living and hard struggle to visiting journalists from Peking's Press Corps last week, outside the oxcarts and donkey carts rolled by Taching's peasant population gazing with



who took part in the "joint battle" of the 1960s with Taching's iron man, Wang Chiao. Wang, to western eyes a revolutionary fanatic, led the team which first struck oil at Taching and is glorified in the manner of self-sacrifice. There are no private plots in Taching, though the area produces all its own food mostly through female labour and the voluntary after hours efforts of the workers. Ninety-eight per cent. of the women there work.

There are no extra holidays for Taching workers. The revolutionary cadres say proudly "production comes before welfare." Mao's call to frugality and thrift extends to recycling old electric light bulbs, saving

oil in the sewing machines used by women to mend the oil workers' clothes, and salvaging scraps of cotton waste and thread from the floor of the "make do and mend" factory, which over three years, we were told, had saved the state Yuan 3,000.

Taching implements every one of Mao's many directives to the letter, whatever the cost to the workers, and whatever the economic sense. Overseeing it all is a very high percentage of Communist Party members of almost all parts of China, and cadres on their way up. Over 30 per cent. of Taching workers are party members. The national average is less than 10 per cent. More than 40 per cent. are members of the Communist Youth League from which party members are ultimately drawn.

Roughly 50,000 people have been sent out from the oilfield, which draws its workers from 18 provinces, since the "joint battle" of the 1960s. They are considered to have been "tamed" by their experiences of Taching.

The workers are the custodians of the "red banner" of socialism which was personally fostered by chairman Mao. They pay a price paid by few other oilworkers anywhere in the world. With the iron man, Wang, now dead other model worker heroes are being fostered to keep alive his spirit.

## Overtime

There is the maintenance man who has already worked a total of 150 days in overtime this year without thought of extra pay, and who delayed 200 meals so engrossed was he in his work. Taching is as much about Mao's new socialist man as it is about oil. Put the two together and the state benefits from minimal labour costs to produce the one material essential to China's economic growth: modernisation, and even perhaps ultimately, prosperity for the people who produced it.

Sydney Morning Herald

## China's UN ambassador recalled

PEKING, Dec. 1.

THE PERMANENT representative of China to the United Nations, Huang Hua, has been recalled to Peking. His recall coincides with a meeting in the capital of the standing committee of the National People's Congress, convened by Chairman Hua Kuo-feng to ratify changes in the Chinese leadership since the death of Chairman Mao and the overthrow of his widow and the "gang of four."

Though the position of Hua as Communist Party Chairman seems unassailable, while the Press continues to hammer home the message that he is a protégé of Mao himself, a number of unsolved questions in the area of Government, as distinct from party leadership, remain.

The succession to the premiership has not been publicly settled. It is now rumoured that Vice-Premier Li Hsien-Nien, widely expected to fill the post, has declined it in favour of former Acting-Premier Teng Hsiao-Ping, who would return to office in 1980. The state machine is three Vice-Premiers—Hua, since his promotion, Teng Hsiao-Ping and Chang Chun-Chiao, "the dog-headed" Chang is now slandered across the country as the brains behind the Gang of Four.

The position of Government Ministers who fell foul of Chang Chiao, Mao's widow, has still to be clarified. Education Minister Chou Jue-hai was publicly criticised for months at the beginning of the year.

The new leadership, looking for technical expertise for its development plans, would scarcely quarrel with Chou En-lai's view that educational standards had declined since the cultural revolution, dubbed academic excellence a symbol of bourgeois elitism, and required it to be subservient to ideological class struggle.

The National People's Congress is legally empowered to make prime ministerial and ministerial appointments, and can vet that power in its standing committee if necessary. It meets at most once a year, and has not met since January, 1975.

Sydney Morning Herald

## Lebanon peace force threatens showdown on arms impasse

BEIRUT, Dec. 1.

ARAB LEAGUE attempts to confiscate heavy weapons from Lebanon's Moslem and Christian factions were deadlocked today despite efforts by President Elias Sarkis to break the impasse.

Commanders of the multinational peace force have warned the rival militias to turn in their tanks and artillery by Sunday or face a showdown with the Syrian-dominated force. But pressure from all sides failed to budge Left-wingers and Palestinians, who have refused to give up their guns before their Right-wing Christian rivals.

Mr. Yasser Arafat, the Palestinian guerrilla leader, and the Left-wing leader, Mr. Kamal Jumblatt, met late yesterday to co-ordinate their positions—and held firm in their refusal.

"There's nothing new to say about the issue," Mr. Jumblatt said after the meeting. "The Palestinian resistance considers

that the problem has nothing to do with it."

Right-wing Christian spokesmen attacked the left-wing for "stopping the collection of arms by its stubbornness and refusals." But the right-wing does not appear to have started turning in its heavy weapons yet, and is reported to have spirited many of its heavy weapons away to bunkers in the rugged central mountains.

The deadlock, if it continues, would pose the first real challenge to the Arab League force since it entered Beirut without resistance two weeks ago.

Mr. Sarkis continues to urge both sides to co-operate with the league disarmament plan. Colonel Ahmed Al-Hajj, the Arab forces commander, conferred with the President yesterday and said his 30,000 well-armed peacekeepers are determined to confiscate the big guns from both sides beginning on Sunday.

Meanwhile, there was no public response to proposals by Mr. Yitzhak Rabin, the Israeli Prime Minister, that the South Lebanon border region be policed by a purely Lebanese force under Mr. Sarkis' control.

The radio station of the Christian Phalangist Party said about 1,000 Arab soldiers, probably from Saudi Arabia, Sudan and the United Arab Emirates, would soon advance south from their positions about 40 miles north of the frontier.

Israel has reportedly agreed to allow a small number of Arab League forces into the south, but not as many as 1,000. In return, Mr. Sarkis and Syria are reported to have promised to prevent the Palestinian guerrillas from moving back into the area now held by Israeli-backed Lebanese Christians, to launch attacks across the border.

UPI

## Nigeria cuts sterling holdings to 28.2%

BY OUR OWN CORRESPONDENT

LAGOS, Dec. 1.

ALMOST half of Nigeria's nearly 4bn. naira (£3.5bn.) external reserves are now held in U.S. dollars following diversification, largely out of sterling, of the country's foreign exchange holdings, the Nigerian Central Bank said.

Dollar holdings now account for 42.5 per cent. of total reserves compared with less than 10 per cent. six years ago.

Sterling, which accounted for more than 75 per cent. in 1970, has fallen to 28.2 per cent. of total reserves this year. The Deutsche Mark account, opened in 1973, holds 12.3 per cent. while the French franc account, opened a year later, holds 4.1 per cent. of current reserve holdings.

A Bank spokesman said diversification of Nigeria's foreign exchange holdings, which in-

clude Canadian dollars, Japanese yen, Dutch guilders, Swiss francs, and Belgian francs, are on relative yield and appreciation convenience for use in payments and availability of Government and Government-guaranteed securities.

Meanwhile payments for Nigeria's crude oil, previously made mainly in dollars, are now accepted in the currency of the purchasing country.

## Constituency that could point to future trends

BY CHARLES SMITH

TOKYO, Dec. 1.

KANAGAWA Prefecture at the foot of Mount Fuji used to be a "conservative kingdom" until the early 1970s. This time, according to the local newspapers and most of those actively involved in the campaign, it will be quite surprising if anyone from the Right-wing Liberal Democratic Party (LDP) is elected by the half million or so voters of Kanagawa Number Five constituency.

So what happens here is a pointer to the political bargaining between parties and factions that could go on after the election, if the LDP should lose its majority and there was a realignment towards the centre.

Kanagawa Number Five, like many other oversized constituencies in Japanese industrial areas, is a new creation for this year's general election. Up to 1973 it was covered by the larger Number Three Prefecture, which commanded five seats in the National Diet, and somewhat perplexingly, filled them with one candidate from each of the five political parties—the LDP, the Japan Socialists, the Democratic Socialist, the Komeito (or "clean government" party) and the Communists.

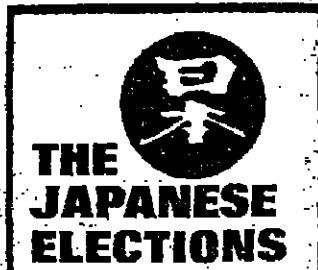
Mr. Kono's faction pick up more seats in the Diet—as he had—then he would be courted by the elders of the LDP as part of a regrouping of the Centre.

As a further asset, Mr. Kono, corrupt and uninterested in public welfare and the Communists are getting generous financial support from a small party politics.

The Kawamura message, on the surface, is that both extremes are bad, so why not vote for the Centre (even if the Centre, as represented by the DSP, currently commands only 19 seats in Japan's 481-seat House of Representatives). A little way below the surface is the implication that the DSP may form a catalyst for new development at the centre of the political spectrum. There could take the form either of a coalition between the DSP and the other non-Communist elements among the Opposition parties or, strangely enough, of some kind of collaboration between the DSP and part of the Liberal Democrats.

Mr. Kawamura is not merely building castles in the air when he talks about a point (front) with other opposition groups. The DSP Party, the Nigger and further to the Left of the Japanese Socialist Komeito Party which could make the difference between victory and defeat on Sunday. The party consists of the Komeito not put ting up a candidate in Kanagawa Number Five and telling its supporters there to vote for the DSP candidate.

The theme of DSP collaboration with the LDP is something Mr. Kawamura barely hints at in his campaign speeches (hardly surprising since his major topic is how badly the Government has been doing). It is, nevertheless, a very distinct possibility, though the Democratic Socialists and any other Opposition parties who decide to play ball with the Government will be certain to demand a prize in terms of the share of portfolios. Just how high a price they can demand will depend on what happens next. Sunday in places like Kanagawa's campaign, Kanagawa.



Kono is expected to come in an easy first among the five candidates running for Kanagawa No. 5s three Diet seats. The runner-up will probably be the candidate of the Japan Socialist Party, the Nigger and further to the Left of the Japanese Socialist Komeito Party which could make the difference between victory and defeat on Sunday. The party consists of the Komeito not put ting up a candidate in Kanagawa Number Five and telling its supporters there to vote for the DSP candidate.

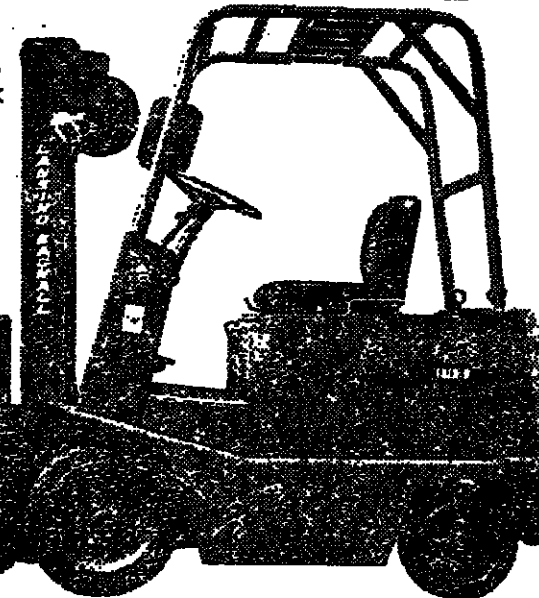
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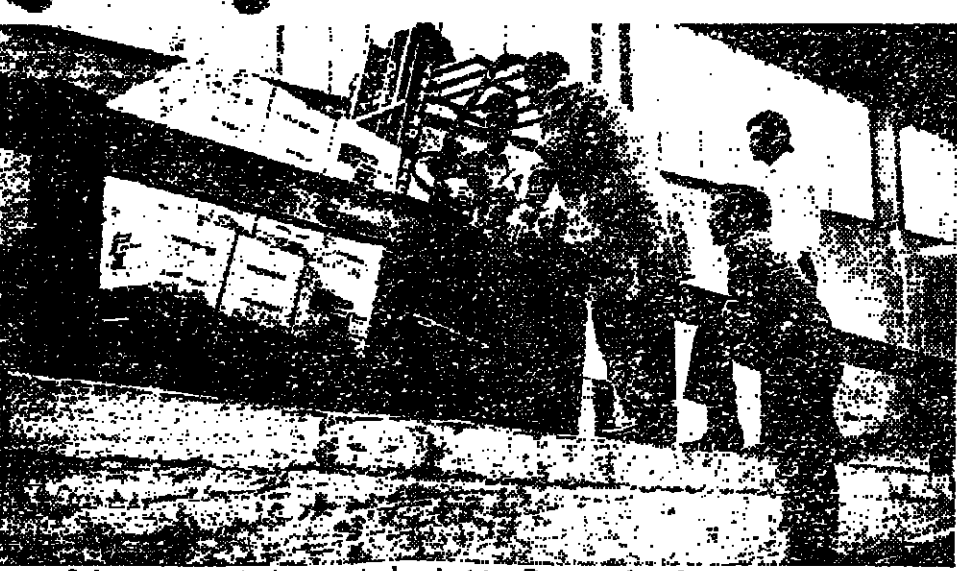
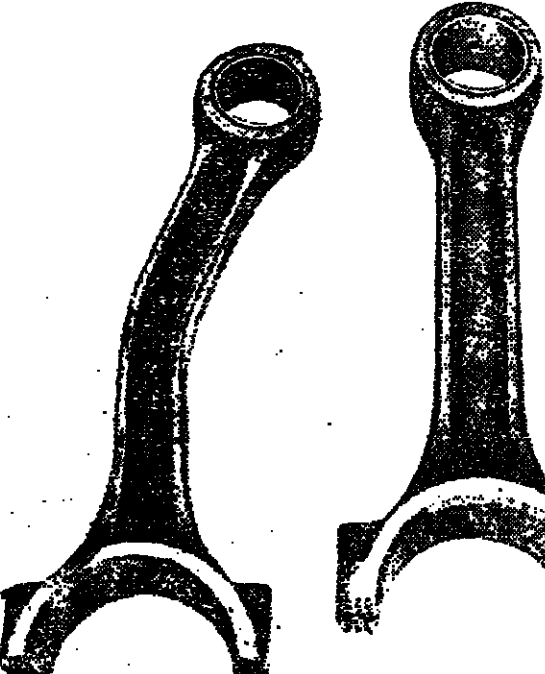
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## AMERICAN NEWS

## Key posts may go to those in Carter economy talks

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Dec. 1

MR. JIMMY CARTER'S aides are saying that the President-elect will probably pick four or five cabinet-level appointments from the 16 businessmen, bankers and economists gathered together to-day at his Georgia home to discuss the state of the economy. Mr. Carter has already said that he wishes to build bridges to the business community and his selection of Mr. Bert Lance, an Atlanta banker and fiscal conservative, was seen as an earnest of this intention. Mr. Lance will probably get the job of budget director, though he could conceivably become Secretary of the Treasury.

To-day's meeting is with a mélange of businessmen, academic and government economists, and there is a feeling expressed, though without great confidence, that one of the former will land the Treasury position.

Among the most likely is Mr. A. W. Clausen, chairman of Bank of America, the country's largest commercial bank, whose well-known interest in international economic affairs sits well with Mr. Carter's statements that international economics will play a more important role in the evolution of foreign policy.

Mr. Irving Shapiro, chairman of Du Pont for the last three years and not related to the Du Pont family, is also apparently highly regarded by Mr. Carter, as is Mr. Michael Blumenthal, chairman of Bendix Corporation.

Most recent Secretaries of the Treasury (with the exception of Mr. George Schultz under President Nixon) have been either bankers or businessmen and not professional economists. Nevertheless, it seems clear that the claims of Mr. Robert Roosa, of Brown Brothers and Harriman and former Under Secretary of the Treasury for Monetary Affairs, and Mr. Charles Schultz of the Brookings Institute are very much under consideration.

An intriguing outside possibility, attending the meeting to-day, is Mr. Andrew Brimmer, the black economist and former member of the Federal Reserve Board (who could be looking for a highly qualified black for a senior economic position, Mr. Brimmer might fill the bill: it is said he would like to be Treasury Secretary, but might accept, say, the Department of Commerce or the chairmanship of the Council of Economic Advisers (CEA).

One fascinating current rumour backed by no hard evidence at all is that Mr. William Coleman, the black Secretary of Transportation in the Ford Cabinet, might be invited to take a different cabinet post under Mr. Carter. The Treasury has again been mentioned, but it must be pointed out that Mr. Coleman is not at the Plains conference and has not as far as can be ascertained, so far met Mr. Carter on the latter's trips to Washington over the last month.

It would be logical to expect the positions at the CEA, the Undersecretary of State for Economic Affairs and possibly the Commerce Department to be taken by pure economists if the Budget Office and the Treasury are vested in business hands.

There are few surprises in Mr. Carter's choice of these for advice. As well as Mr. Roosa and Mr. Schultz, they include Professor Richard Cooper of Yale, Mr. Arthur Okun of Brookings (who could be expected to be interested in the Fed if Dr. Burns steps down in 1978), Mr. Walter Heller (like Mr. Okun a past CEA chairman), Mr. Lawrence Klein, Mr. Carter's campaign economic adviser who says he does not want to come to Washington, and two women, Alice Rivlin, the immensely able head of the Congressional Budget Office and Juanita Krapf, Professor of Economics at Duke University.

## Delay on steel price rise report

By Jay Palmer

NEW YORK, Dec. 1

THE U.S. COUNCIL ON Wage and Price Stability this morning unexpectedly postponed indefinitely publication of an expected report on the latest round of price increases by the steel industry which came into effect to-day.

The report, widely expected to be highly critical of the 6 per cent price rise, will not be issued before next week at the earliest.

Although the Council does not have the power to force the steel companies to cancel the price increase, a critical and authoritative report would certainly increase the pressure on the industry to back down voluntarily.

The 6 per cent increase, which has now been adopted by virtually all the large U.S. steel makers, applies only to flat-rolled product lines. Used primarily by car makers and consumer appliance makers, this side accounts for over 40 per cent of total industry shipments.

A spokesman for the Wage and Price Council said to-day that the report had been postponed because it had not been completed to the satisfaction of the Council's acting director, Mr. William Lilly.

Immediately after the first steel companies announced price increases last week, the Council requested data on costs, profits and sales. These replies have not yet been received and to-day's report, it is known, would have been based on previously published statistics and thus its criticisms could have lacked the necessary impact.

This morning President Ford indicated that he would not comment on the steel price increase until all the facts are in. Last Monday evening, President-elect Jimmy Carter said that was "concerned" about the increases.

To-day the Wall Street Journal, in a leading article, strongly criticised the President-elect's move, arguing that "this is precisely the sort of intrusion that can do no good but might do real harm."

Although it could still happen, so far there has been no sign of the industry-wide price rise being forced back by any one company refusing to increase prices. This is exactly what happened two months ago when planned price increases had to be cancelled because of market pressures.

It is expected that, when it finally comes out, the Council's report will argue that demand for steel is not strong enough to support the move to higher prices. The Council could argue that, given price discounting, the increase is merely an attempt by steel makers to lift base prices in case the new Administration decides on a price freeze.

The steel companies, noting that costs over the last two years have far outstripped prices, maintain the opposite. They note that demand for flat-rolled steels, unlike the rest of the industry, is strong and projected to grow stronger.

## Economic indicators index unchanged

BY OUR OWN CORRESPONDENT

WASHINGTON, Dec. 1

THE U.S. index of leading economic indicators was unchanged in October, compared with the previous month, the Commerce Department announced this morning. Although this represents some marginal improvement over August and September, when the index, which charts future developments in the economy, fell by 0.8 and 0.9 per cent respectively, it provides yet further evidence that the "pause" is still very much in effect.

Much in the same mould, the Conference Board, the private research organisation, reported that capital expenditures by the country's 1,000 largest manufacturing companies fell appreciably in the third quarter of the year. These appropriations tend to point the way to future capital spending, which the Ford Administration has argued will pick up soon and underpin the resumption of sustainable economic growth.

However, the Conference Board's survey showed a drop of nine per cent in these appropriations in third quarter compared with the second and noted that the decline would have been twice as great had it not been for a sharp increase on the part of the petroleum industry. The Board's economists still believe that capital spending will pick up next year and that too much should not be read into the most recent figures. It is felt that the third quarter decline reflected a postponement of spending plans that will probably be restored by the second half of next year and the Board is sticking to its forecast that there will be an overall nine per cent increase in corporate capital expenditure in 1977.

The survey also found that in the third quarter actual capital spending, adjusted for inflation, was three per cent under the previous peak set in the fourth quarter of 1974. It forecasts that for the full current year, spending will be only two per cent above last year's levels in real terms.

## Beame campaign payment probe

BY STEWART FLEMING

NEW YORK, Dec. 1

THE NEW YORK City District Attorney, Mr. Robert Morgenthau, is investigating allegations that illegal contributions were made by a New York real estate developer to the election campaign of Mayor Abraham Beame in 1975.

The mayor's office said to-day that it was aware of the allegations and the investigation. There has been no suggestion that the mayor himself knew of the allegedly illegal contributions.

The New York Times to-day reports that the mayor's son, Mr. Bernard Beame, is under investigation along with the mayor's campaign manager, Mr. Irving Goldman, the developer Mr. Christopher Boam and Mr. Arnold Kagan, a builder and financier. The contributions, it is alleged, were made through two foreign corporations, one based in Liechtenstein and one in Liberia, and owned by Mr. Kagan.

In New York State the political contributions themselves would not be illegal. It is alleged, however, that the contributions were made against the promise of support by the Beame administration for development projects, which, if true, could amount to possible bribery and conspiracy as well as a breach of the election laws.

The mayor has said through a spokesman that the reports of the contributions were "absolutely nonsense," adding that it is certain that his son would not be party to any illegal arrangement.

It is too early to say whether the allegations can have any effect on the mayor's position, either in relation to next year's mayoral elections or in relation to his ability to negotiate a way through the latest twist in the city's fiscal crisis.

The mayoral elections are not due until November next year and it is not clear whether the 70-year-old mayor will run for office again.

## North-South talks likely to be put off

By Our Own Correspondent

UNITED NATIONS, Dec. 1

THE co-chairmen of the Paris conference on international economic co-operation were due to meet in New York to-night to consider future arrangements for the North-South dialogue now that political transition in the U.S. and other developments have further clouded the already dim prospects for progress.

The two leaders Mr. Alan MacEachern of Canada and Dr. Manuel Perez Guerrero of Venezuela were expected to announce a postponement of the scheduled December 15 ministerial session of the conference until some time next year.

It has been assumed for some time that the resumption would have to be delayed.

## Price-fixing jail sentences

BY OUR OWN CORRESPONDENT NEW YORK, Dec. 1

SENIOR executives of several leading U.S. corporations, including the Container Corporation of America, a Mobil subsidiary, have been sentenced to jail for up to 60 days for price fixing.

The convictions, handed down by a federal judge in Chicago, follow a Justice Department anti-trust suit against 22 manufacturers of paper, board and box makers. The Justice Department alleged that between 1960 and 1974 the companies conspired to fix prices by not bidding competitively against each other.

It has said that the case is the largest price fixing case that it has brought in terms of the sales revenues of the defendant corporations. In 1973 the companies had revenues of \$1bn.

The judge handed down a 60-day sentence and a \$25,000 fine for Mr. R. Harper Brown, president of Container Corporation of America.

Sixteen other defendants were also sentenced to jail terms, in some cases amounting to only a few days, and to fines.

Confirmation of the sentences has been postponed, however, and the judge has said that he will hold hearings later in the month on any motions for reductions in the sentences of those convicted.

All the convicted executives entered pleas of no contest, which in some effects is similar to a guilty plea but cannot be used as a presumption of guilt in any civil cases arising out of the anti-trust conspiracy convictions.

Some 45 civil suits are outstanding in the case, with plaintiffs seeking damages for alleged overcharges by indicted or convicted corporations.

In recent months Justice Department officials have been calling for harsher sentences in price-fixing cases.

## Venezuelan surplus of \$300m.

By Joseph Mann

CARACAS, Dec. 1

THE GOVERNMENT of Venezuela accumulated a Treasury surplus of \$300m. for the first three quarters of 1976, according to figures released by the Venezuelan Central Bank.

In its latest bulletin, the Government bank said that official expenditures for the first nine months of this year reached \$8,030m., while income for the same period was \$8,330m. The Government's original budget for 1976 called for outlays of about \$7,710m. but this figure will probably be surpassed.

Venezuelan Finance Minister Hector Rueda recently asserted that Treasury income thus far is running more than \$300m. ahead of previous estimates for the year.

## U.S. PRIVATE SECURITY SERVICES

## Guarding the 'symbolic alternatives'

BY MAURICE RYAN IN LOS ANGELES

A WAVE of terrorism abroad and extortion by kidnapping at home is spawning the American business community into an unprecedented concern with security.

The hunger for protection—according to a recent survey by the Rand think-tank in California—will this year build private security services to \$120m. a year industry, which is growing at a "recession-resistant rate" of almost 15 per cent annually.

In the past, anti-American terrorism factions around the world have vented their spleen chiefly on U.S. Government personnel and the buildings they work in.

To-day, these embassies and offices have become very tough to hit," says Mr. Benjamin Weiner, head of Probe International, an organisation which specialises in "political research" for U.S. companies.

As a result, more and more American companies are being used as terror targets. Mr. Weiner calls them "symbolic alternatives."

nationalists. Company-sponsored seminars on counter-terrorist measures, which had been sparsely attended, suddenly drew overflow audiences.

A new Central Intelligence Agency study shows that of more than 4,000 people killed and injured by insurgent bands over the past eight years, 40 per cent were civilians. Incidents of international terrorism, including skyjackings and bombings, have doubled over the same period, and the CIA says that the impact "will be felt more on U.S. Government personnel and the buildings they work in."

At home the rash of kidnappings in recent months has diverted attention from continuing political bombings, while such highly-publicised kidnappings as those of Miss Patricia Hearst and the Seagram liquor heir, Samuel Bronfman II, there have been a swarm of less-newsworthy attacks.

Letters demanding money have been received by more than 200 corporation executives, and some threats have been followed up by action. One letter-bomb explosion left four people seriously wounded.

After each incident the demand for bodyguards, private police, and security agencies increases. Some 95,000 are licensed in California, more than twice the number of police officers in the State. Nationally, the industry is estimated to employ something like 1m. people, compared with a U.S. police force of 450,000 men.

The security business is dominated by two companies, Pinkerton's and Burns International (last year No. 1 agency Pinkerton's earned \$200m. or three times its revenues of a decade ago), but there are hundreds of smaller companies. A Rand Corporation survey for the Justice Department showed that 65 per cent of the guards hired by these firms receive no training "scarecrows." It may well be that the thieves, the muggers and the extortionists only move to another neighbourhood or firm, in the U.S. last year.

a Los Angeles company director said, "But, frankly, I'll settle for that."

The wide range of more usual equipment is also selling at a fast pace. Protection and Security, makers of personal aerosol tear-gas bombs, says business is 50 per cent higher than last year. Hoteltron Systems, which two years ago sold only 100 of its \$500 letter-bomb detectors, estimates that this year sales will reach 1,000. Sales soared after a letter-bomb had exploded in the offices of Merrill Lynch last spring.

But all this is not enough for Mr. Lee Kirkwood, once Mr. Paul Getty's personal security consultant and now head of Universal Security, one of several Los Angeles companies offering services to the wealthy, the famous and the top-flight executive. "Too many people, especially in the business world, take a 'who me?' attitude," Mr. Kirkwood says. They cannot believe that it can happen to them. But the record of violence in this country says they're wrong, and so does the \$500m. worth of property stolen in the U.S. last year.

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November 1976



## WORLD TRADE NEWS

# Leading container lines to use Suez Canal next year

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE SUEZ CANAL has scored a major victory in its attempt to regain the position of the world's leading international waterway with a decision by the leading container lines operating between Europe and the Far East to route their ships through the Canal from next month.

The transit of the first ship, the Tokyo Express on January 17, will bring to an end nearly 12 months of tense negotiations between the Suez Canal Authority and the two main container consortia involved in the Far East trade, the Trio and Scan Dutch groups.

Ever since its re-opening in June 1975, the Suez Canal Authority's main priorities have been to attract as much oil tanker traffic as can safely use the waterway and to catch the large container ships which could amount to as many as 400 transits a year.

While the number of oil tankers using the Canal has been steadily increasing, the container consortia refused to abandon their use of the Cape route unless they were satisfied about the safety aspects of using the Canal and the Authority would relax its demand for a 10 per cent. surcharge for container ships.

The surcharge claim was based upon the argument that "cassels" which carried cargo on docks as well as in holds, as container ships should pay a premium.

This dispute has not been ended by any formal agreement although it is understood that the authority has indicated that the surcharge might be cut to 5 per cent. on an experimental basis.

Members of the Trio Group include Britain's Ben Line, Containers and Overseas Containers together with Hapag-Lloyd of Germany and NYK and Mitsui OSK of Japan. Use of the canal by their ships, and those of the four ScanDutch lines, would shorten the sailing time between Europe and Japan by about seven days if the vessels maintained their current speeds.

However, projections for the trade next year indicate that shorter sailing times would produce a tonnage surplus. The lines are almost certain, therefore, to slow their ships down, producing a saving on fuel costs and reducing the U.K.-Far East sailing time from 18 to about 16 days.

Trio vessels are expected to account for nearly 300 transits through the Canal next year and ScanDutch vessels about half that number. A third consortium, ACE Lines, has been using the waterway for several months, although its ships are markedly smaller.

## Japan proposes shared markets

TOKYO, Dec. 1.

JAPAN AND the European Common Market may have to work out a "division of labour" agreement to avert trade wars in the future, a top official at the Japanese Ministry of International Trade Industry said today.

Mr. Toshihiko Yano, the Ministry's director-general of international trade policy, told a Press briefing: "We would appreciate very frank and candid views of the European countries on this, and if necessary we would be ready to adjust."

Common Market leaders yesterday issued a veiled warning to Japan to cut its massive trade surplus with the EEC in the next three months.

Mr. Yano said he believed the threat of immediate conflict had been headed off by Japan's promises to hold talks on curbing its exports of cars and ships and to step up imports from the EEC.

However, in the long term, the basic problem was that Japan

and the EEC were competing in many cases to produce and sell the same goods.

Mr. Yano said international market sharing would go against the principle of free world trade, but within the framework of free trade, "I believe we can have some division of labour."

Asked how this might apply to the British car industry, which has suffered from strong competition of Japanese imports, Mr. Yano said he was not suggesting for a moment that it was not appropriate for Britain to produce cars.

But there were all sorts of vehicles, Mr. Yano said, from small cars to large trucks—maybe we could discuss which products could be most efficiently produced and sold by each country.

He said he was unable to quantify the impact of Japan's promises to boost EEC imports on the trade imbalance. However, the trend should now be towards a reduction of Japan's

surplus. According to EEC estimates, the Japanese surplus could reach \$4.2bn. this year.

Mr. Yano said one of Japan's headaches was how to handle EEC requests for cuts in some of its import tariffs, an issue which Japan felt should be discussed in the framework of the Geneva Multinational Trade Negotiations.

He also said there was room for a rise in imports from the EEC of heavy machinery and chemicals, but this would have to await a speed-up in the Japanese economic recovery.

Mr. Yano said Japan was now waiting to hear from the EEC how much member countries wanted to boost exports to Japan of butter, skimmed milk, tobacco and processed meat.

Practical steps would then be taken to let in more imports of these items, as stated in Japan's recent reply to EEC demands for action to cut its trade surplus, he said.

# China 'holding back' on Kellogg plant

BY DAVID HOUSEGO

THE CHINESE authorities are reported to be holding back about 25 per cent. of the basic feedstock of natural gas from at least two of the fertiliser plants being installed in China by the American multinational Pullman Kellogg.

Under a \$200m. contract signed in 1973 and hailed at the time as the largest dollar contract awarded by China to an American company, Kellogg are putting up eight ammonia plants of the capacity of 1,000 metric tons a day each as the first stage in a project to complete an equal number of urea complexes.

The contract stipulates that the Chinese can refuse delivery of the plants until they have been run at full capacity for five days. In withholding the natural gas the Chinese gain the double advantage of stockpiling ammonia and retaining the technical services of Kellogg.

Kellogg is now pressing for the full amount of gas needed to be made available. The three plants so far completed are at Heilongjiang and Liaoning in the north east and Szechwan in the south.

A further plant in Hopen province is due to come on stream by the end of the year with the others finished during 1977. The 1,600 metric tons a day capacity plants are being built by Kellogg's Amsterdam subsidiary, Kellogg Continental.

Though the apparent explanation for withholding the gas is to

gain a small commercial advantage, western sources who have visited the sites say that the Chinese have puzzlingly not put in the transport infrastructure that will enable them to operate at full capacity once completed.

They also note that a small British manufactured plant installed in Szechwan in the mid-1960s is working at about half capacity. They believe the reason for this is that delays in production are caused by a Chinese habit of calling a meeting to discuss any problem that might arise.

The Kellogg plants are said to be going up on schedule—but the Chinese can refuse delivery of the plants until they have been run at full capacity for five days.

Most western observers have taken the view that under Chairman Hua's leadership, China will again be in the market for sizeable purchases of western technology.

The eight fertiliser complexes are being built in areas known to the west for their oil and gas resources, though visitors conclude that in the north east in particular the gravity of the crude oil seems high. Under the contract with Kellogg, the Chinese have a year's warranty on the plants.

# Venezuela oil budget outlined

CARACAS, Dec. 1.

THE President of Petroleos de Venezuela (Petroven) the Venezuelan Government oil company, General Rafael Alfonzo Ravard, said that the organisation is now studying a 1977 budget reaching nearly Bolívares 3bn. (\$688m.).

This money would be used by Petroven to manage its giant nationalised petroleum industry and to make new investments in refining and other areas. Petroven, which ranks among the world's ten largest oil companies in terms of assets, production and equipment, was founded last year with an initial capital outlay of Bolívares 1bn. (\$233m.).

The State oil company reported net income of \$770m. for the first half of this year, on sales of \$4.19bn.

General Alfonzo Ravard also noted that one of the operating companies controlled by Petroven the former Exxon affiliates now called Lavenov, would spend some Bolívares 2.7bn. (\$627m.) over the next five years on adding new refining capacity.

Reuter

# BSC wins major Far East order

BRITISH STEEL Corporation has won a major order in a Far East market dominated by the Japanese to supply 4,500 tonnes of steel bearing piles to a construction company, with the prospect of securing another and bigger order in the spring as a follow-up to the first contract.

The second order, on which BSC has an option, is for an additional 6,000 tonnes of piles. The value of the contract has not been disclosed.

The bearing piles will be rolled by the corporation's Scunthorpe division and are to be delivered during the next three months, completing the order in February.

# Plessey in talks on Thomson-CSF link

PARIS, Dec. 1.

THE BRITISH electronics group Plessey and the leading French electronics concern Thomson-CSF are making a second attempt to corroborate in the development and manufacture of integrated circuits. The two groups held informal preliminary discussions on a similar association in 1972 but the breaking off of negotiations with the prospective third partner AEG Telefunken of Germany led to the Franco-British talks failing to get off the ground.

Now the two groups have announced that in view of their identity of viewpoint in the integrated circuit field they have set up a study group to look into the possibility of an association "to rationalise and complement their respective activities particularly at the level of research and production and to reinforce their commercial impact on world markets."

On the Plessey side the division involved in any co-operation would be Plessey semi-conductors.

In Paris it is already being speculated that other groups could eventually come into a co-operative venture. Among the group names being mentioned are Thomson-Brandt, Siemens of Germany, Motorola which owns 54 per cent. in of the U.S., which has a big Thomson-CSF Group turnover French operation, and the next year is expected to be French offshoot of Philips of around Frs.15bn. (£1.8bn.).

# Swiss wine talks soon

BY JOHN WICKS

ZURICH, Dec. 1.

DISCUSSIONS are expected to take place between the EEC Commission and Switzerland in Brussels next week on the recent decision of the Swiss Government to introduce a levy on imports of red wine in bottles in excess of average imports in the period 1971/75.

The Commission considers this move, which came into force on November 1, contrary to Switzerland's obligations to GATT. The Swiss standpoint is that the step does not contravene its GATT obligations since on joining GATT the Government had reserved the right to introduce import restrictions or similar measures under its national agricultural laws. The introduction of the levy, which is not considered in Bern to constitute an import restriction as such, has proved desirable in the light of a 700 per cent. increase in the import of bottled red wine over the past decade and the expansion of an existing stockpile of indigenous red wine by the bumper 1976 harvest.

# Russia raises oil flow to West at East's expense

BY KEVIN DONE, INDUSTRIAL STAFF

THE Soviet Union, the world's largest producer of crude oil, is continuing to increase oil exports to Western countries at the expense of its Eastern bloc trading partners in an attempt to pay for urgently needed imports according to the latest issue of the Petroleum Economist.

It points out that Russia has apparently found it necessary to reconsider trade agreements made last year with its Communist allies for the five-year period 1978-80. These called for a sharp increase in oil deliveries.

"For several years previously exports to the West had risen far less rapidly than those to Eastern Europe and other Communist areas, and it seemed reasonable to assume that the trend would shortly reassert itself, especially in view of the specific provisions in recent trade agreements."

However, Russian crude oil deliveries in the next five years sales to EEC countries jumped to 7m. tonnes in the six months from January to June this year and compared with only 2.8m. tonnes Czechoslovakia's external reliance in the same period last year. The tons in the field of fuel and need to pay for unusually high power, he said.

# Hong Kong rejects quota plan

HONG KONG does not recognise the right of the Canadian Government to abrogate bilateral trade agreements, Mr. Bill Dorward, acting director of the Commerce and Industry Department, said yesterday in response to the imposition of quotas on clothing exports to Canada.

Mr. Dorward made the remarks following a special meeting of the Hong Kong Textiles Advisory Board to discuss the Canadian Government's decision. The Canadian Government announced it was cutting back immediately its clothing imports to 1975 levels for the rest of the year and for 1977.

He said the Board's advice was firm and unanimous. "We shall continue to meet our obligations under the three current agreements and trust the Canadian authorities will do likewise."

# Leyland cuts prices

British Leyland Motors in Detroit is cutting the price on its 1978 Triumph TR7 sports car by \$684 to \$4,995, effective immediately. At the same time, Volkswagen of America said it is boosting prices on its 1977 Audi models an average of 3.3 per cent, or \$185.

# Tanzania car cuts

Tanzania will limit the import of motor vehicles to 10 makes instead of the 45 allowed before. Cars allowed will be Volkswagen, Peugeot and Datsun, while only Isuzu, Kombi, Land Rover, Range Rover and Ford Transit light vehicles will be imported.

# Newer cars

The average age of privately owned motor cars on the Swedish roads has dropped from 14.3 years in 1973 to 14.0 years in 1975 and to 13.9 years in 1976, according to Svensk Bilprovning, the Swedish vehicle inspection organisation.

# Nissan in Australia

Nissan Motor will spend \$42m. over the next four years to boost its share of the Australian small car market, the company has announced. It also said yesterday it has awarded Chrysler Australia \$19m. to supply iron engine castings over the next four years.

# Brotherhood contract

Peter Brotherhood, the precision engineering company of Peterborough has won contracts from Ghana and Tanzania for industrial steam turbines and components for steam turbines to a value of almost £1m.

# Dubai order

S. and W. Berisford International, wholly owned subsidiary of S. and W. Berisford, the food group, has won a \$250,000 contract to supply clients to Dubai with kitchen units and wardrobes.

# Oil agreement

Malaysia's national oil company, Petronas, has signed a production sharing agreement with two oil companies of the Shell Group. A similar agreement with a third company, Exxon, was expected to be signed soon.

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# Engineers 'fail to justify award'

## Direct rule opposition has backing

## Dunlop's sport subsidiary to expand

**An extra 80 full-time and 50 part-time workers will be taken on, increasing the overall labour force by about 16 per cent.**

# Half-built tanker seized from Maritime Fruit

## Albright and Wilson closes Liverpool chemical plant

## 'Eye' pays Maxwell damages

Articles in Private Eye of  
August 22 and September 5, 1975.

## nd Wilson closes chemical plant

## Maxwell damages

his should be discharged by the  
company. In face Mr. Maxwell

**closes**  
**lant**

## damages

paying Mr. Maxwell's costs and damages.

# Bus fare rises 'unlikely to hit revenue'

● **The Effect of Fares on Bus Patronage**, by P. H. Bly, for the

than before as to how and when they use their lights.

# JFB appeals against ban on bid moves

**PROMOTION** of unit trusts investing in Japanese companies has been attacked by Mr. John

needed to regenerate British industry.

The letter also asks Mr. Sheldon what controls exist to regulate

overseas investment by authorised unit trusts.

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## The Areas for Expansion



# HOME NEWS

## Airlines to review fares role of pound

By Michael Donnan, Aerospace Correspondent

THE CONTINUED USE of sterling as a currency for basing fares by the world's main airlines is to be considered at a conference next February called by the International Air Transport Association.

The venue has not yet been settled, but it is expected to be in Europe, probably Paris or Geneva, between February 1 and 18.

All IATA's member-airlines, which together carry more than 80 per cent of the world's scheduled air traffic, use sterling and the dollar as base currencies for their fares structures.

Fares are first calculated in one of the base currencies and then translated into local currencies in the different countries for ticket sales.

This system only works satisfactorily, however, when both the base currencies are relatively stable. IATA has a formula for handling small variations in exchange rates, but big fluctuations, such as this year's substantial depreciation in sterling, cause considerable problems.

Still unstable

These can be overcome by adding surcharges to sterling fares to ensure that as much of the depreciation as possible is offset. So rapid has the fall in sterling been this year, however, that the surcharges, out of the U.K. amount to more than 30 per cent, in some cases.

The airlines feel this situation cannot continue, especially with sterling still unstable. Accordingly they are thinking of abandoning sterling as a base currency for fares calculations and using either the dollar alone, or the dollar and another strong currency.

A further alternative is to use the Special Drawing Right (SDR) unit of the International Monetary Fund, which is based on a number of currencies and therefore offers a more stable basis on which to calculate fares.

## Action urged on improving sub-standard housing

By Michael Cassell, Building Correspondent

A "big increase" in renovation work is required urgently if Britain's stock of sub-standard housing is to be brought up to standard by the end of the century, according to a report published yesterday by the National Home Improvement Council.

The report, which is the Council's preliminary survey of the overall home improvement situation in the U.K., states that there are still about 3m. homes without basic amenities, most of which would be capable of sufficient useful life to more than repay the cost of improvement.

If these substandard homes could be modernised at a rate of 250,000 units a year—double the present rate—then every household could be provided with a habitable home within the next ten years.

The council believes that this rate of improvement should take place at no extra cost. If public new housing work was stabilised at about the 1972 level. Moreover, the net benefit would be a gain of 80,000 more additional units to habitable stock each year than is at present accumulating.

"However, if the private new

### More jobs

The replacement of 440m. of public sector housing work by 440m. of improvement work would create work for an additional 17,000 jobs in the building industry. A quarter of the work would be carried out by local authorities with the remainder in the hands of private contractors.

Mr. George Pincknett, the chairman of the council, introducing the report said that its proposals would not cost the Exchequer "one extra penny". The nation's resources are not being spent where the need is greatest and a big switch in emphasis is wanted. Elimination of very poor quality homes for those with low income, the current regional distribution of grants and the share of aid between public and private sectors should be examined.

"In terms of sheer human misery, if there is action which can be taken now instead of next month or next year and in spite of present economic difficulties then there is absolutely no excuse for delaying the necessary decisions a moment longer."

Among the report's main recommendations is the urgent re-examination of the improvement grant scheme. It says that the relationship between public sector grant aid and private sector aid must be rethought as the average grant for each local authority home is more than three times the private grant.

There should be an immediate increase of 100 per cent in eligible costs as an interim measure and improvement support should not be confined to the bottom of the housing market.

"Relief and encouragement" was also needed higher up the housing ladder, not only to meet human aspirations but also to prevent premature obsolescence.

Improvement in U.K. Housing—NHIC, 26, Store Street, London, W.C.1.

## Builders to submit 'survival policy'

By Michael Cassell, Building Correspondent

LEADERS of the construction industry will have an emergency meeting with Mr. Reg Ffreeson, Minister for Housing and Construction, to submit what they regard as a policy for the survival of the industry.

Mr. Ffreeson has called a meeting of the construction sector's National Consultative Council on Tuesday. A Treasury Minister is expected to be present.

The industry's representatives will say—not for the first time—that the continuing recession throughout construction seems set to grow even worse and that unemployment may rise even further.

About 220,000 workers are jobless and the industry's output is down more than 20 per cent compared with 1973.

Work in the design professions has plunged even lower, indicating the extent of the recession still to hit the rest of the industry.

### Relaxation

Mr. Ffreeson will be told that the construction sector is determined to avoid any further damage as a result of public expenditure cuts.

Its proposals involve a minimum output programme for public and private sector housing work, increased improvement work, the relaxation of industrial development certificate controls and more Government support for the industry's export efforts.

Industry members of the Consultative Council said yesterday: "We will be setting before the minister a range of proposals which add up to a policy for survival. Much of this action can only be taken by Government and we will be asking Mr. Ffreeson to act quickly."

## Peart heads council to replace chief scientific adviser

By David Fishlock, Science Editor

THE GOVERNMENT finally has replaced its post of chief scientific adviser to the Cabinet—last held by Sir Alan Cottrell, until 1974—with a 14-man Advisory Council for Applied Research and Development.

The chairman of the new council is Lord Peart, Lord Privy Seal, a senior member of the Cabinet. His deputy chairman is Sir James Menter, principal of Queen Mary College, London, and a non-executive director of Tube Investments.

### Full list

The members of the council are: Sir James Menter, (deputy chairman), Principal, Queen Mary College, London and non-executive director, Tube Investments; Sir John Atwell, British Rail (Scottish Board) and the Board of the Royal Ordnance Factories;

Mr. R. J. Clayton, technical director, GEC; Mr. D. Downes, chairman and managing director, Ricardo Consulting Engineers; Prof. D. W. Holder, professor of engineering science, Oxford University; Dr. A. J. Kennedy, director, British Non-Ferrous Metals Technology Centre;

Mr. Gavin Laird, member of the executive council for Scotland of the Amalgamated Union of Engineering Workers; Sir Peter Matthews, managing director of Vickers; Mr. M. M. Pennell, deputy chairman, BP and director of the Standard Oil Company of Ohio; Dr. L. Rotherham, formerly vice-chairman of Bath University;

Sir Norman Rowntree, professor of civil engineering, University of Manchester; Institute of Science and Technology; Dr. A. Sninks, director of research, ICI; and Sir Frederick Stewart, Regius Professor of Geology, University of Edinburgh, and chairman, Advisory Board for the Research Councils.

Record post-war levels were reached in these fields and for the first time in decades the country experienced falls in its gross domestic product and in average real incomes.

Government incomes policies had tended, at least temporarily to make distribution of earnings more equal in percentage, though not in absolute terms.

There were few changes in the early seventies which could correspond to those of the late 1960s—abolition of the death penalty; changes in the abortion, divorce and homosexuality laws; abolition of theatre censorship; new gaming laws; and the lowering of 18 of the voting age and the age of majority.

## Seventies 'marked by doubts on State action'

By Donald Maclean

STRIKES, sit-ins and similar forms of industrial action have become increasingly used for "openly political ends," according to the 1976 edition of Social Trends, published today.

Strikes against the passage of the Industrial Relations Act through the Commons and by Health Service employees against private patients and student unrest had increasingly characterised the Seventies.

The report says that the last few years have been overshadowed by two economic factors: inflation and unemployment. There were exceptionally large fluctuations in the main economic indicators, including the rate of change of prices and earnings, unemployment, the balance of payments, the sterling exchange rate, stock market prices and the money supply.

Record post-war levels were reached in these fields and for the first time in decades the country experienced falls in its gross domestic product and in average real incomes.

Government incomes policies had tended, at least temporarily to make distribution of earnings more equal in percentage, though not in absolute terms.

There were few changes in the early seventies which could correspond to those of the late 1960s—abolition of the death penalty; changes in the abortion, divorce and homosexuality laws; abolition of theatre censorship; new gaming laws; and the lowering of 18 of the voting age and the age of majority.

Social Trends, 1976: SO, £6.90. Feature, Page 21

## U.K. paper industry 'at risk'

By Lorne Earling

THE LONG term viability of the U.K. paper industry is at risk as the production of more and more grades of paper becomes uneconomical, according to a report published today by ICC BUSINESS RATIOS.

The report said industry had been badly hit by rapidly increasing prices of imported raw materials and by relatively cheap imports of finished products.

Those imports had been largely responsible for the industry's inability to pass on increases in costs.

The report, based on the performance of 80 leading U.K. paper companies in the three years to the end of April this year, said profits at the high point of the industry's cycle had never been outstanding.

The average return on capital for the three years im-

proved from 12.9 per cent in 1973-74 to 19 per cent in 1974-75 and plummeted to 8.3 per cent for 1975-76. There is no reason for supposing that this is the low point.

A similar report by ICC on paper merchants said sales in the same period increased 57 per cent, but most of the increase took place in the first 18 months.

The larger part of the rise resulted from higher prices and not volume.

The first half of the period was a time of buoyant sales and profits, and of extensive cost cutting.

The average credit time was reduced and the average rate of stock turnover and asset utilisation improved.

In the second 18 months sales growth almost vanished, profits went down and the stock turnover ratio and the credit period were reduced even more sharply.

Business Ratio reports on Paper and Board Manufacturers and Paper Merchants, ICC Business Ratios, 31 City Road, London, E.C.1. £36 each, or £60 for both.

## Brokers calculate effect of CCA

FINANCIAL TIMES REPORTER

ESTIMATES of the impact of the proposed current-cost accounting system on company profits have been prepared by London stockbrokers Phillips and Drew.

The firm emphasised that the figures had to be treated with caution because of the lack of complete information. In addition, when comparing companies allowance had to be made for their different accounting dates.

The stockbrokers estimated the effect of the CCA proposals on 120 companies and found that their aggregate pre-tax profits were reduced by about 45 per cent in the current year and by an estimated 40 per cent next year.

There was, however, a considerable variation between sectors. Banks, contractors, and stores were comparatively lightly affected. Textiles, shipping, paper and engineering were among the worst affected.

The earnings calculations assumed tax charges at 52 per cent on CCA profits arising in the U.K., plus the overseas tax actually paid. On this arbitrary basis earnings fell rather more sharply than pre-tax profits—55 per cent in the current year and 50 per cent next year.

A fifth of the companies in the Phillips and Drew sample made a CCA post-tax loss last year and an eighth were expected to do so this year. More than 40 per cent of the companies would have uncovered dividends this year.

Company	Percentage Changes Pre-tax	Company	Percentage Changes Pre-tax
Pilkington	-51	Allied Breweries	-72
A. P. Cement	-33	Base Charrington	-58
BPB Industries	-53	Guinness	-48
R. M. Concrete	-85	Scottish & Newcastle	-35
Marley	-52	Whitbread	-59
Redland	-37	Granada "A"	-29
R. P. Cement	-52	E.M.I.	-30
Turner & Newall	-70	Grand Metropolitan	-117
Tarmac	-62	Trust Houses	-96
Taylor Woodrow	-26	AB Foods	-48
Whitney	-37	Cadbury Schweppes	-49
Coca-Cola	-19	J. Lyons "A"	-197
BICC	-74	Ranks Hovis	-77
Chloride	-33	Spillers	-64
GEC	-36	Unilever	-15
Plessey	-75	Rowntree Macintosh	-41
Birmid Qualcast	-75	Tate & Lyle	-8
Renold	-77	United Biscuits	-28
Dowry	-25	D.R.G.	-59
GKN	-68	Metal Box	-76
Smith Industries	-45	Boots	-33
Tube Investments	-104	S. H. Stores	-23
Vickers	-43	Debenhams	-25
Hawker-Siddeley	-23	Graxton Warehouses	-24
Camp Air	-72	Gus "A"	-18
Bridon	-68	Mouss of Fraser	-47
Sabcock & Wilcox	-64	Marks & Spencer	-13
Simon Engineering	-26	W. H. Smith "A"	-34
IMI	-119	UDS	-40
Delta Metal	-96	F. W. Woolworth	-56
Johnston Matthew	-25	Burton	-46
Leak Industries	-52	Costa Picon	-65
Fosco Minnep.	-25	Courtaulds	-183
Decca "A"	-55	Tetral	-89
Ever Ready	-47	Carrington Wyella	-155
Rediffusion	-34	S.A.T.	-42
Thorn "A"	-43	Imperial Group	-65
SSR	-52	Rothmans	-87
Hoover	-26	Distillers	-50
Lucas Industries	-65	Albright & Wilson	-70
Associated Engineering	-70	Fisons	-30
BSA	-48	Glen	-72
Dunlop	-70	Laporte	-170
Cavenham	-69	SOC International	-53
Tesco	-54	Beecham	-14
Unigate	-70	Reckitt & Colman	-37
Sainsbury	-70	Smith & Nephew	-41
Associated Dairies	-19	ILAC	-94
P. & O.	-112	Sealed Air	-57
Ocean T. & T.	-43	Gestetner	-42
Bowater	-64	Lampson	-80
RET	-62	Rank Organisation "A"	-64
S. Pearson	-79	Telephone Rentals	-53
T. Filling	-51	BT	-182
McCormick	-81	Smith T. & T.	-81
TDE	-43	Barclay	-7
E. C. Clay	-49	Lloyds	-13
Reed International	-118	Midland	-13
Travelers Group	-27	Mid-West	-12

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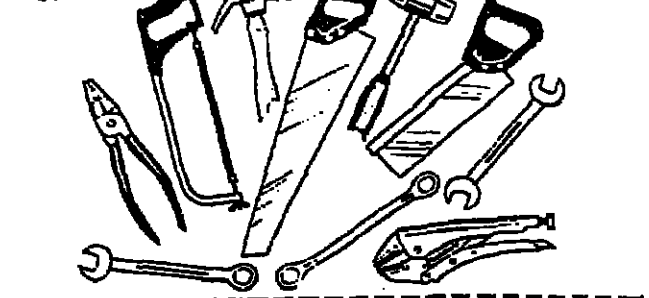
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Kenneth Gooding studies the case of the Wine and Spirit Association that the Chancellor should not increase duties on alcohol.

# Mr. Denis Healey's Christmas carol

AT FIRST sight, the largest of current lost causes is the campaign being waged by the Wine and Spirit Association, an organisation which represents most of the U.K. shippers, wholesalers and retailers. The association is attempting to persuade the Chancellor he should not put up wine and spirit duties. The campaign reaches a climax this week when the association meets Treasury officials to put its case.

Both inside and outside the trade, it is assumed that Mr. Healey's pre-Christmas package of economic measures will involve some kind of addition to duty or VAT on drink. There is evidence of a buying spree like those which used to burst before annual Budgets. One big wine and spirit wholesaler group said last week it had already sold more drink during the past month than during the whole of the 1975 Christmas period.

## Worth saving

Already alcoholic drinks contribute around £1.5bn. a year in excise duties, another £400m. in VAT and account for nearly 8 per cent. of all consumer spending in the U.K. Increases in duty have become significantly larger in the recent past. For the average drinker the sums involved in pre-Budget buying are certainly worth saving. The last Budget, for example, added 32p to the price of a bottle of whisky, 12p to sherry and port and 6p to table wine. This took the total duty element per bottle to £2.89 on whisky, 67p on port and sherry and 50p on wine.

Mr. Healey seems determined to get the value of duty on drink up to its 1969 level in real terms. He said as much in his 1974 Budget speech, but admitted that he had to hold back to some extent because of the inflationary effect such a move would have had on the cost of living index.

In fact, the recent rises have actually taken the real value of the duty on table wine above the 1969 level by 3p a bottle. But the Chancellor has a long way to go before catching up with other drinks. He would need to add 2.1p to a pint of beer, taking the average public bar price to 28.2p, while the average take-home price for a bottle of Scotch would have to go up to £5.70.

The wine traders cannot understand Mr. Healey's emphasis on this point, particularly at a time when one of the prime economic targets is to get the U.K. inflation rate under control. The association argues that competition has kept the price of wines and spirits from rising as fast as the general rate of inflation. The Price Code is a

playing no part at the moment. To raise those prices which have not kept pace with the general rate of inflation to match the average level of inflation simply moves the average level up again, the association points out.

But to some extent that is a side issue. The main point the association has been making to the Chancellor this week is that if he really wishes substantially to increase his revenue from wines and spirits he ought to leave duties alone. All the while, they argue, shows that the rate of revenue increase is greater when duties are held down. Unfortunately for the association, it is just true that the law of diminishing returns can take over and that revenue might actually drop if duties are lifted too high.

For example, the Customs and Excise annual report for the year to March 1976 showed wine revenue 11.9 per cent. up at just over £165m., thanks to the steep duty rise during the period. But, significantly, that revenue was 12 per cent. below what the Treasury forecast it would be.

According to the association's calculations, the Treasury would have collected £15m. more in wine revenue this year had the duty not been raised. The last Budget, the traders arrived at this conclusion after studying wine clearances from bond in the year to the end of September which were 4.5 per cent. down on the previous 12 months. The trade believes that the Customs and Excise statistics are seriously understating the real position, and would put the real drop in sales at something like 6 per cent.—or around 30m. bottles of wine "lost" over the year.

## Recession

Coupled with a 9.5 per cent. drop in spirits clearances—the best measurement of actual sales we have—this spells severe recession for the trade. To choose just a couple of examples of the effect this is having, there was the decision by Seagrams, probably the world's biggest liquor business, not to go ahead with its planned U.K. wine and spirit marketing build-up. Then there was the decision by Fitch Lovell, the food and supermarket group, to put its wine and spirit offshoot, R. Gonzalez, up for sale. Jobs have been lost and investment is minimal because of this at a time when one of the prime economic targets is to get the U.K. inflation rate under control.

The association argues that competition has kept the price of wines and spirits from rising as fast as the general rate of inflation. The Price Code is a



back from his customer and in payment is given, they maintain. But the Treasury's reply is at the interim he has made what traders have been pressing for ways the same: the country cannot afford to give up that amounts to an interest-free loan this system to be changed. The not around £100m. at least, cash the world, apart from Ireland, moment industry has to finance one way where no credit period for duty But Mr. George Bull chairman

of the association, argues the Treasury could offset the impact of a change to a credit period both by phasing it over two or three years and by cutting its own costs. If a credit system were introduced, the traders would have to do more of the work involved in documenting revenue collection and there would not be the need for so many Excise officers. At the same time there could be a reduction in bonding areas.

The wine and spirit traders also emphasise the fact that the U.K. is now totally committed to the European Community. Thus the country would gain solid ground in its negotiations over the Common Agricultural Policy (CAP) if the Chancellor did not appear to be hammering so hard at sales of French and Italian wine.

There is also the danger that the Continental Europeans will retaliate and choose as a target Scotch whisky—a major revenue earner for the U.K. which brought in about £40m. from the EEC countries last year. Already the Italians have fixed a discriminatory duty on Scotch, making it more expensive than spirits derived from

grapes—brandy in particular. George Bull insists: "Our package would cost the Treasury nothing. But the trade would benefit from increased volume and a relaxation of duty-gathering costs. Employment would benefit from increased investment and extra jobs being created. The Ministry of Agriculture would benefit from a better bargaining position in Brussels. The Government would gain from conforming more to EEC policies. Consumers would gain from more reasonably priced products. Thus the country would gain from improved revenue, sounder trade, more jobs, better bargaining power in Brussels, more reasonably priced goods and happier voters. How can Mr. Healey resist such a package?"

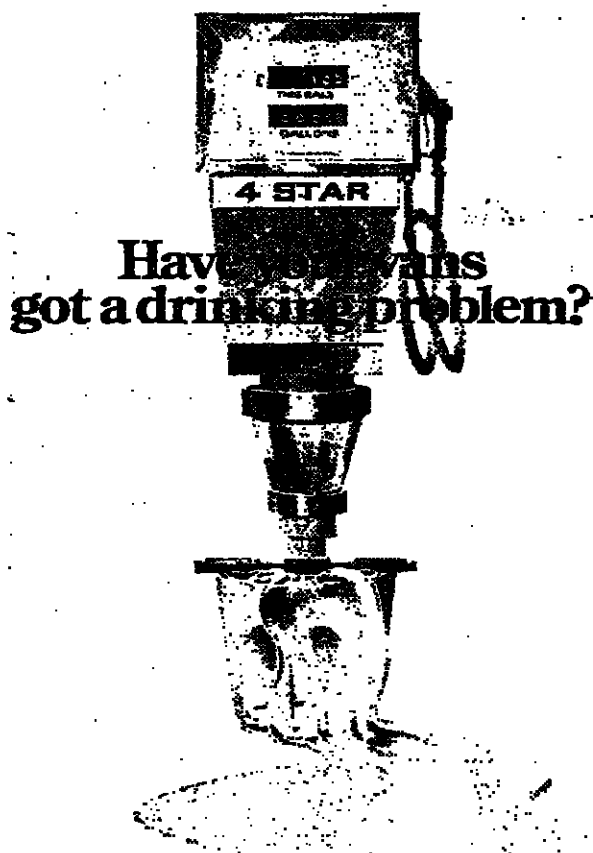
## Psychological

The answer as regards the forthcoming package, has perhaps been provided by stockbrokers de Zoete and Bevan in a recent circular they sent to institutional investors. The duties are probably willing to tackle any problem, however unlikely a successful outcome might be.

"Our own guesstimates—based on critical assumptions about total consumer spending, the level of drink spending both gross and net of tax and the rate of cost inflation—suggests that... it will be very difficult for the Government to achieve higher revenue from wines and spirits as a result of increasing taxes." In fact, 50p on a bottle of fortified wine and 6p on a bottle of table wine would produce no change in revenue, the brokers insist. But "we do not rule out a purely psychological exercise to emphasise that luxury consumption is being heavily penalised."

This is another way of saying that it seems the British cannot be convinced that times are really difficult unless they are presented by the Government with extra duty on beer, spirits, wine and cigarettes. Perhaps the next task for the association should be some attempt to remove that psychological hang-up. After all, an organisation that is trying to convince Mr. Healey not to increase liquor duties is probably willing to tackle any problem, however unlikely a successful outcome might be.

# If your running costs are reaching dizzy heights, call in a team of Sherpas.



But whichever Sherpa you choose, its unique combination of carrying capacity and fuel economy will ensure that it will more than pull its weight in your transport fleet.

## Does your engine suffer from shyness?

There are countless vans around the market whose engines are tilted at the most extraordinary angles, and hidden away in the most extraordinary places—like beneath the driver.

It doesn't need a major intellectual effort to realise that this makes routine servicing unnecessarily time-consuming and costly.

This is one of the reasons why the Sherpa's engine is mounted level, and in front of the driver.

A forward-mounted engine makes the cab larger while keeping the floor flat. This gives the driver more comfort, and easier access.

And as the engine provides a solid buffer if the worst comes to the worst, it's much, much safer.

There are two thrifty petrol engines to choose from (1622 and 1798 c.c.), and one miserly diesel (1798 c.c.).

All three give good performance and a surprisingly high optimum cruising speed. So your deliveries are fast as well as economical.

And that is definitely not something to be shy about.

## Do your vans come with the protection of Supercover?

Do your vans come with a year's free no-mileage limit warranty, including free parts and labour?

Or a year's free 24-hour roadside assistance from the A.A.?

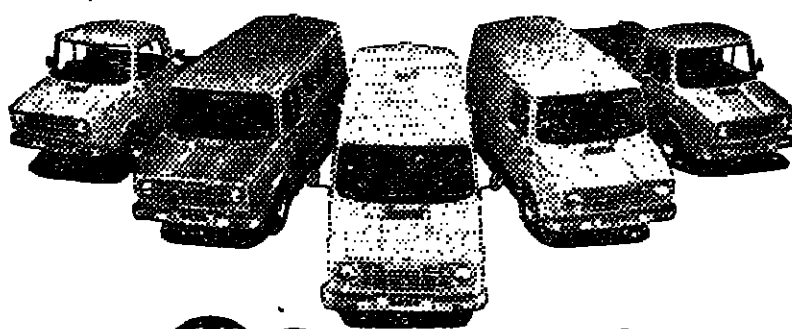
Or a year's free A.A. Relay recovery service (U.K. mainland only)?

Or a free 69-point pre-sale checkout?

Every Sherpa does. Because every Sherpa comes with Supercover—no other van manufacturer offers more.

So call or write to Light Commercial Vehicle Sales at Leyland Cars, Grosvenor House, Redditch, Worcestershire.

And find out more about the vans that move more, further, for less.



**Sherpa**  
From Leyland Cars. With Supercover.

It moves more, further, for less.

## U.K. ECONOMIC INDICATORS

	1976			1975		
	Oct.	Sept.	Aug.	Oct.	Sept.	Aug.
General						
Unemployment ('000s)	1,377.1	1,456.4	1,501.9	1,165.4	1,248.1	1,324.4
Unfilled vacancies ('000s)	129.3	141.7	129.8	132.0	143.4	143.4
Currency reserves (£bn.)	4.703	5.158	5.929	5.710	5.839	5.839
Basic materials (1970=100)	227.1p	214.1	204.0	252.2	243.2	243.2
Manufd. prod. (1970=100)	223.5p	226.3	223.4	197.6	194.9	194.9
Bank advances (£bn.)	15.493	15.003	15.100	14.132	13.782	13.782
Retail prices (1974=100)	163.5	160.6	158.3	142.5	140.5	140.5
Wage rates (July 1972=100)	217.4	217.4	217.3	186.3	184.9	184.9
Terms of trade (1970=100)	79.1	80.5	80.8	81.5	82.3	82.3

	Sept.	Aug.	July	Sept.	Aug.	July
HP debt (£m.)	2,405	2,430	2,386	2,237	2,249	2,249
Retail sales val. (1971=100)	206.4	204.3	199.9	179.2	175.3	175.3
Industrial output (1970=100)	102.3	100.8	101.8	100.0	98.9	98.9

	1976			1975		
	Oct.	Sept.	Jan.	Oct.	Jan.	Jan.
Trade and Industry						
Steel, weekly average ('000 tonnes)	457.7	426.0	428.6	403.0	388.1	388.1
Imports fob (£bn.)	2,582	2,508	2,285	1,945	1,795	1,795
Exports fob (£bn.)	2,222	2,132	1,976	1,728	1,549	1,549
Visible trade balance (£bn.)	-0.360	-0.376	-0.309	-0.217	-0.210	-0.210
Cars ('000s)	109	100	110	93	105	105
Commercial vehicles ('000s)	29.9	29.3	30.3	29.6	32.1	32.1
Houses completed ('000s)	25.5	29.7	23.9	29.1	25.4	25.4
Bricks (millions)	479	494	438	486	419	419
Cement, weekly average ('000 tonnes)	299	314	308.5	333	331	331

	Sept.	Aug.	Jan.	Sept.	Jan.	Jan.
TV sets ('000s)	279	189	194	237	206	206
Radio, radiograms ('000s)	343	275	298.2	372	380	380
Furniture (1970=100)	150	147	149.7	154	153	153
Petroleum (m. tonnes)	6,039p	5,400	6,510	5,964	6,530	6,530

	Aug.	July	Aug.	Aug.	Aug.	Aug.
Man-made fibres (m. kgs.)	43.82	46.72	50.97	40.77	45.71	45.71
Hosiery (1970=100)	99	95	96.25	98	95.6	95.6
Electric cookers ('000s)	65.5	63.3	75.0	59.9	74.0	74.0
Washing machines ('000s)	51.8	48.3	71.5	51.2	52.1	52.1
Engineering orders on hand (1970=100)	89	89	81.7	108	117.4	117.4
Raw cotton, weekly average ('000 tonnes)	2.51	2.19	2.73	2.26	2.13	2.13
Raw wool (m. kilos)	8.3	8.7	9.8	7.0	9.1	9.1

	July	June	Jan.	July	Jan.	Jan.
Machine tools (£m.)	28.0	27.5	30.5	26.1	28.5	28.5

	1976			1975		
	3rd qtr.	2nd qtr.	1st qtr.	3rd qtr.	2nd qtr.	1st qtr.
Consumer spending (£bn.)	8,860p	8,789	8,729	8,839	8,839	8,839
Motor trade turnover (1972=100)	177	176	151	148	143	143
Building and civil engineering (£bn.)	2,163p	2,014	2,212	2,644	11,610	11,610

\* Production. † Deliveries. ‡ Net sales. § Consumption. \*\* Seasonally adjusted. †† All manufacturing industries. ‡‡ Excluding car radios. §§ Deliveries. U.K. made and imported goods. ¶ Prices. ††† Including cooker, griller, toasters. ‡‡‡ Value of output. § § § United Kingdom not seasonally adjusted. ¶ First preliminary estimate. ¶ Provisional figures. h Deliveries of petroleum products for inland consumption.

You won't need to be told that fuel costs for van users are no minor consideration.

What you may not know, however, is that there is an answer to this problem.

The answer? The Sherpa from Leyland Cars.

Sherpas, both petrol and diesel versions, are incredibly economical.

When "Truck" magazine tested the petrol-engined Sherpa 240, they averaged 28 mpg. Try as they might, they could not get this figure below 20 mpg.

"Startling" said "Truck". Even more so when you consider that the 240 is the largest Sherpa in the range.

Obviously, the smaller Sherpas are even less thirsty.

## Are your vans pulling their weight?

Of course, the Sherpa's economy would be meaningless if it didn't have a payload of 190 cu. ft.

And as efficiency is just as important as economy, the Sherpa has been designed to be as easy to load as possible.

The straighter sides and boxed-in wheel arches allow every inch of the loadspace to be utilized.

And with the optional side loading door, the load is easily accessible from three sides.

Obviously, Sherpas are not just available as first-class panel vans. There are Sherpa pick-ups, crew buses, minibuses and chassis-cabs too. Not to mention countless other Leyland Cars approved body conversions.

Leyland Cars also realise that choosing the right size of vehicle for your needs is every bit as important as selecting the right body style.

Which is why the Sherpas come in three payload ranges. The 185s can take up to 14 cwt., the 215s up to 19 cwt., and the 240s up to 23 cwt.





## Prentice severs link with TGWU

By Rupert Cornwell, Lobby Staff

WITH A SAVAGE attack on the special relationship between the Labour Party and the trade unions, Mr. Reg Prentice, Overseas Development Minister, yesterday resigned from the panel of MPs sponsored by the Transport and General Workers' Union.

In a letter to Mr. Arthur Todd, secretary of the TGWU's regional branch in London, Mr. Prentice said that the whole of the two movements were among the most irrelevant and out-of-date features of the British political system.

They were also dangerous—an obstacle to both sides, whose jobs were different, he declared. The unions, Mr. Prentice added, existed to represent the interests of their members in a dialogue with the Government of the day, irrespective of its political colour.

Emphasising that the decision was political rather than personal, Mr. Prentice—who is under intense pressure from his Left-wing constituency party in Newham North-East—underlined that he was campaigning for a Labour Party with policies based on the national interest rather than class war dogma.

To govern properly, the party had to abandon the whole "sloganistic" of affiliated membership, trade union-sponsored MPs, and the most dangerous practice of all—block votes at the annual conference.

## Written Answers

### TREASURY

Mr. Ian Stewart (Con., Hitchin). How will drawings be repaid under the central bank standby credit on December 9?

Mr. Robert Sheldon, Financial Secretary. The repayment will be made out of the U.K.'s foreign currency reserves.

Mr. John Loveridge (Con., Havering, Upminster). Could steps be taken to allow for tax relief a proportion of the cost of travel by rail to school for children up to 16 years who are unable to obtain concessionary rate season tickets because of their age?

Mr. Robert Sheldon, No. I do not think it would be right to single out this particular form of personal expenditure for tax relief.

Mr. Bryan Gould (Lab., Southampton Test). What effect on the sale of gilts is produced by: (a) the current rate for sterling, (b) the prospect of changes up or down in the rate, and (c) the prospect of changes in interest rates?

Mr. Denis Healey, Minister of State. Reactions in the gilt-edged market are determined by a wide range of influences. Insofar as it is possible to make broad estimates of the impact of any one variable, this is only meaningful for changes in the specified variable rather than for the current level or rate of change. The prospect of a sterling appreciation reflects improving trends in the domestic economy; these same influences will probably also be helpful for sales of gilts by the authorities; conversely, the prospect of depreciation because of adverse domestic trends will tend to be unhelpful for gilts. The prospect of increases in interest rates, with an associated fall in the technical interest rates, will tend to discourage the public from purchasing gilts, whereas the prospect of falling interest rates and rising prices will generally encourage such purchases.

### OVERSEAS DEVELOPMENT

Mr. Farnk Hooley (Lab., Hove). What provision has been made for the contingent liability on public funds arising out of assurances of support for the Crown Agents?

Mr. Reg Prentice, Minister. Token provision has been made in the Winter Supplementary Estimates to cover the liability arising from the technical insolvency of the Crown Agents. The Crown Agents have not so far needed to seek additional financial support from the Government and the Supplementary Estimates provision is necessary now only as a formal indication of the continuing contingent liability. This overall liability takes account of certain contingent liabilities on the Crown Agents arising from contracts for the supply of British goods and services, including defence equipment, undertaken by one of their wholly owned subsidiaries, Millbank Technical Services, to which I have given my specific agreement.

### SEAT BELTS TAKE BACK SEAT

MR. WILLIAM RODGERS, Transport Minister, told the Commons yesterday that he would not present a bill when seat belts legislation would be possible.

## Ships Bill row renewed

# Foot faces angry Tories in dispute over hybridity

By Philip Rawstorne

GOVERNMENT ATTEMPTS to speed the passage of the Aircraft and Shipbuilding nationalisation Bill through the Commons were last night angrily attacked as "an abuse of democracy" by the Conservatives.

But Mr. Michael Foot, Leader of the Commons, said that the legislation—blocked by the Lords in the previous session—had to be enacted as soon as possible "in view of the serious consequences of uncertainty for the industries, and for those employed in them."

Mr. Foot moved a Government motion to suspend Commons Standing Orders and avert any possibility of the Bill being challenged as "hybrid."

Mr. Foot said that the Government's purpose was "to allow this House to assert its supremacy over the non-elected and irresponsible House of Lords and to do so quickly."

Referring to the doctrine of the late Lord Salisbury that the Lords should not oppose measures in Labour Party manifesto, he warned that Conservative peers could provoke considerable constitutional difficulties.

Mr. Foot said relationships between the two Houses would be very much easier if Lord Carrington, Conservative leader in the Lords, accepted the doctrine.

"We are asking the House to assert that it wants this Bill in the form that it passed last year," he said.

But amid Tory cheers, Mr. Francis Pym, front bench spokesman, rejected the Government's moves.

"This motion is an abuse of our procedures, of our democracy, of our Standing Orders," he said.

The purpose of the Parliament Act—under which the Bill had been re-introduced—was to give Parliament time to consider the Bill further.

And accusing Mr. Foot of trying to introduce "a severe and vicious double-headed guillotine," Mr. Pym declared: "It's up to the Government to get its legislation right." If the Bill were hybrid, it ought to be sent to the Parliamentary examiners.

Mr. Robin Maxwell-Hyslop (C., Tiverton), whose allegations about the Bill's hybridity held up its passage last session, told MPs that there was no doubt that the Bill was still hybrid.

He claimed that some ship repair companies which met the criteria for nationalisation, had been excluded and others which did not meet the criteria, had been included.

The Government had decided which companies it wished to nationalise on an arbitrary basis, he claimed.

A subsidiary of Tate and Lyle Sugar Line, another company, Westminster Dredging, both met the conditions laid down for nationalisation, but had been omitted from the Bill, Mr. Maxwell-Hyslop claimed.

A "third company, London Graving Dock, had been included although it did not fulfil the Bill's criteria.

Mr. Foot shook his head when Liberal spokesman Mr. Richard Wainwright said the Government must have been made aware of the serious risks of hybridity at the very beginning of this Bill.

"This is a most unworthy attempt to abandon a traditional and most important arrangement whereby private interests, if they feel they have been unevenly treated in a Bill, are entitled to be properly heard by a Committee of the House," Mr. Wainwright argued.

He resented most that they could be deprived of this right either because they were seen as not terribly important victims, or because it had been rather late in the day when this was discovered.

"If these arguments were accepted in this House it would be the beginning of the end of our freedom. This is the way that liberties perish."



Mr. Robin Maxwell-Hyslop

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Mr. Bruce Millan, Scottish Secretary, told MPs yesterday that he was already making his own immediate inquiries to satisfy himself that the incident at Carristair State Mental Hospital the previous day did not reveal any obvious security deficiencies.

In Commons statement, Mr. Millan said that since proceedings were pending against two patients, Mr. Robert Mone and Mr. Thomas McCulloch, who escaped, it would not be proper for him to comment on the events. He expressed regret and sympathy to the families of the three people who died.

Mr. Millan added: "The security record of the hospital has been a good one for a number of years. It is my intention to set up as soon as possible an independent inquiry into the circumstances in which the escape was possible and to report on any additional measures that might be taken in the interests of security."

He wished to express by appreciation of the brave and effective action taken by the police, and of their ready co-operation with the hospital staff, who also like to pay tribute to the constructive and devoted work done by the hospital staff in the care of patients, often in circumstances of the utmost difficulty.

Miners' early retirement wins support

MORE THAN 80 Labour MPs yesterday supported a Commons motion supporting the miners' demand for retirement at 60.

Mr. Robert Kilroy-Silk, MP for Ormskirk, and sponsor of the motion, said: "It is about time we dropped our double standards. It seems strange that the most comfortable, well-paid jobs have early retirement whereas dirty, dangerous and physically exacting jobs do not."

The motion says the miners and other industrial workers should have the same rights to retire at 60 as others employed in the public service such as civil servants, local government officers, teachers, National Health Service employees, policemen, firemen and members of the armed services, some of whom have the additional advantage of inflation-proofed pensions.

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## Leyland toolmen to strike over pay differentials

By Alan Pike, Labour Staff

BRITISH LEYLAND toolmakers demand could not be met within the pay policy and ordered them back to work.

Since then the toolmakers have formed a new, unofficial group to represent their interests and Monday's action will demonstrate their ability to take co-ordinated strike action on a company-wide scale.

The toolmakers have two aims—to resolve their pay differential problems and to secure a new, exclusive negotiating structure for themselves.

The first aim conflicts with the pay policy and the second is contrary to British Leyland's view of how the company's negotiating structure should develop.

Mr. Frank Barron, chairman of the unofficial toolmaker group, said yesterday that plants where toolmaker pay is negotiated in company-wide agreements were demanding separate negotiations from the end of current pay agreements.

Monday's strike was being called because the company refused to meet the toolmakers and discuss this.

On the differentials claim, the group says that there are differences in pay of up to £18 per week between Leyland toolrooms. "Skilled toolmakers at some plants could get the same money for sweeping the floor at other Leyland factories," said Mr. Barron.

Leyland, like many employers, is aware of the ill-effects being caused by erosion of skilled pay differentials but is powerless to take corrective action because of the pay policy.

Efforts to reorganise negotiating structure are similarly hampered, although the company is in any case seeking a more flexible structure than the one the toolmakers are demanding.

The number of Leyland workers laid off because of the unofficial strike at the Rubery Owen components plant rose to 6,000 yesterday and Chrysler van and truck output at Dunsfold was halted with 400 laid off.

At Ford's Halewood factory 700 men walked out after a weekend unofficial strike at the Rubery Owen official strike at the Rubery Owen hopes that work will resume to-day.

Merseyside and Glasgow most strike-prone, survey shows

## Merseyside and Glasgow most strike-prone, survey shows

By Christian Tyle, Labour Staff

THE REPUTATIONS of Merseyside and Glasgow for above-average labour militancy are confirmed today by figures produced by the Department of Employment.

These two areas rank as the most strike-prone in the country by a substantial margin, with South-West Wales as the runner-up. Another nine out of 61 areas are above the national average but are well behind these three.

At the same time, figures published in this month's DE Gazette show that strikes are confined to very few plants and sites. Only 2 per cent of manufacturing plants had strikes at all in any one year between 1971 and 1973 when strike activity was generally high, and it is reckoned that 90 per cent of plants are strike-free over very long periods.

In the most "militant" areas, trouble is confined to 5 or 6 per cent of factories, and in the worst areas (South Wales) the figure is 8 per cent.

Explodes myth

Because of the investment implications of the regional figures, there has been a long-running argument in Whitehall about the wisdom of publishing them at all.

Finally it was decided that the presentational problem could be overcome. The Department of Employment thinks that the figures, coupled with Britain's greatly improved strike record this year and last, could explode the myth of "the English sickness."

For the first time, the Government can produce detailed statistics to prove to foreign and U.K. investors that very few plants even in the areas with bad reputations are responsible for giving British industry a bad name.

About 150 factories, it is estimated, accounted for nearly a quarter of the manufacturing stoppages in 1971-73, and 67 per cent of the working days lost.

Big plants—those with 1,000 or more employees—were the worst offenders, but even here only a small number of workers are usually directly involved in strikes. The motor industry is the most obvious example.

According to the authors of the survey, part of a wider analysis of strike statistics, the poor record of some areas is due to a greater number of strikes in a few plants, not to a greater spread of strikes generally.

"Consequently, it does not follow that an employer spending money on a plant in the subdivisions with a relatively poor record would necessarily suffer from similar industrial unrest," they say.

To arrive at a league table of militancy, the DE researchers have taken the number of days lost per 1,000 employees as a result of local stoppages and compared this with the national average. They have also adjusted the figures to assume that every area has the same industrial structure, in order to be "fair" to those areas which have a concentration of strike-prone industries like the docks,

mining the motor industry and shipbuilding. This adjustment nevertheless leaves Merseyside with 2½ times the national average of days lost and Glasgow with 1½ times the average. The statistics do not, of course, explain why militancy should be high in the worst-affected areas.

Among the possible explanations are long-standing high unemployment, a declining industrial base or poor management. There is, incidentally, no statistical proof that high unemployment reduces workers' readiness to take industrial action.

With the adjustment for industrial structure, the worst manufacturing areas against the national average are Furness in Lancashire (where there is a high concentration of shipbuilding) with a ratio of 8.57 to 1, and the Coventry area (cars and engineering) with 6.33 to 1.

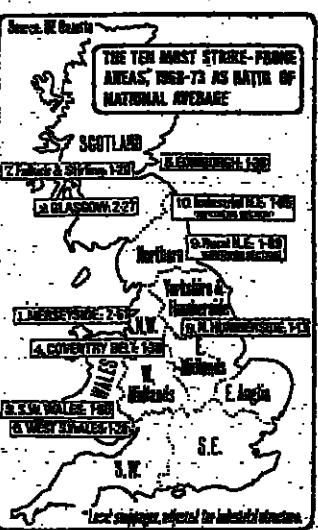
Fewer stoppages

The 2 per cent of plants hit by strikes do, however, account for nearly 20 per cent of the manufacturing labour stoppages. Manufacturing stoppages account for two-thirds of all strikes and 80 per cent of British exports. Taking the whole of industry, the sectors of high strike activity employ about 10 per cent of the 21m. U.K. total.

Mr. Millan's Gazette's monthly strike figures show sustained improvement. October had the lowest number of stoppages this year although not the lowest number of working days lost. This brings to 1,666 the number of stoppages in the year compared with 2,102 in the same period last year. Working days lost total 2.7m., compared with 5.6m. Overall strike activity is running at a 23-year low.

Some of this month's Gazette tables are incomplete because of industrial action by DE civil servants protesting about staffing levels. Their action is to be reviewed to-morrow.

Power men agree to seek aid



THE NUMBER employed by town halls is still growing, according to the Department of Employment figures on local authority employees issued today.

Despite the pressure for spending cuts, there were 3,249 more workers in local government in England in June this year than three months before.

In the year to June 21,511 people were added to the local authority payroll in England.

Welsh local authorities employed 361 more in June than in March, and 4,156 more than in June last year.

The local authorities' quarterly returns of manpower show the biggest increases in England had been for recreation, parks and baths and housing.

There was a sharp drop in those employed in education this June compared with the total in March, although the June figure was still well above that for the previous year.

Protest at safety delay

THE HEALTH and Safety Commission yesterday published the text of a strongly-worded letter to Mr. Albert Booth, Employment Secretary, protesting at the Government's decision to postpone the appointment of workplace safety representatives and committees on grounds of cost.

Mr. Bill Simpson, chairman of the commission, or which the TUC, CBI and local councils are represented, said in the letter that the necessary regulations should be put before Parliament immediately, even if implementation was delayed.

The commission believed some of the cost estimates had been inflated and that failure to give the regulations would undermine its credibility.

The TUC has reacted angrily to Mr. Booth's decision. TUC safety representatives as one of the important features of the Government's side of the social contract.

New telex link

The Post Office has added a sixth channel radio station at Land's End Radio, to its medium range Radiotelex service.

Sealink change

FROM December 13 until March 19 the Sealink night service from London to Paris, Basle and Milan via Dover-Dunkirk will be timed from 2230 to 2144 hours. From March 20 to May 31 it will leave London at 2244 hours.



Cabinet Ministers leave 10, Downing Street, after hearing Mr. Denis Healey's report on talks with the IMF. Left to right: Mr. Eric Varley, Mr. John Morris, Mr. John Silkin, Mr. Roy Mannersley, Mr. Stanley Orme, Mr. Albert Booth, Mr. Bruce Millan, and Mr. Reg Prentice.

فَكَذَّبْنَا مِنَ الْأَصْلِ



# FINANCIAL TIMES SURVEY

Thursday December 2 1976

## ATLANTA

One of America's leading growth centres, Atlanta has been hard hit by the recession. Even so, it remains one of the busiest cities of the South, and a symbol to many of the resurgence of Dixieland they see also in the White House victory of Georgia's Jimmy Carter.

### Instant city in a new South

By Jay Palmer

DESPITE BEING buried "deep in the heart of Dixie," Atlanta is not and never has been a typical southern city. Its roots lie not so much with cotton, peaches and "Gone with the Wind" antebellum aristocrats with white columns and black manumies, but rather with industry, commerce, transportation and services. While it has had its share of racial problems over the past century, it has nevertheless gained a justifiable reputation for being something of a liberal bastion, more interested in making money than preserving an antiquated status quo.

Atlanta has been described as the ultimate in U.S. "instant cities" — an accolade of which it seems inordinately proud. If so, it is surely the instant city of the New South, the commercial and business centre of a region which, after more than 100

years of depression and recession, is at last starting to stretch its financial and political muscles. The city, however, after a 15-year orgy of downtown construction and soaring skyline, really believes its own propaganda that it is "the world's next great city."

But Atlanta, like the rest of Georgia and indeed the entire South East, felt the impact of the recent 24-month-long U.S. national recession more quickly and more harshly than the rest of America. Its growth rate suddenly plummeted from way above the national average, and almost overnight the property and construction boom which had meant so much to Atlanta—burst. To-day Atlanta's grand office towers and its string of impressive hotels stand partly empty, waiting for the next economic upturn.

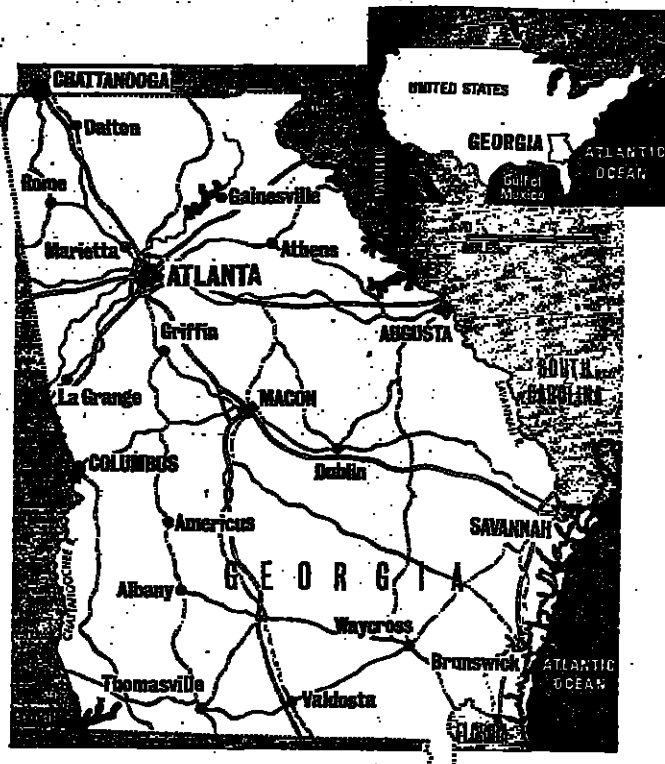
No one actually suggests that Jimmy Carter, the former Governor of Georgia, will be able to do much to help Atlanta directly from the White House when he moves in January. Nevertheless, with Atlanta businessmen, bankers and civic leaders making up a goodly part of the Carter entourage, there is to the city a strong undercurrent of optimism that Mr. Carter, as the first U.S. President to come from the Deep South in over 100 years, must refocus business and investment attention on his home region. Certainly his political success serves as the living example of the South's recent political recovery.

Atlanta's historical origins are almost a geographical accident. The city, originally called Marthasville and later Terminus, grew up around the arbitrary meeting point of two railroads. Its name to-day represents, in fact, a telegraphic shorthand for the Western and Atlantic Railroad. But it did not remain a railway village for long—its fast-growing importance as a regional distribution and transport centre was given the ultimate in back-handed compliments by General William Sherman when he raised the city to the ground on his Civil War march through Georgia to the sea.

### Erased

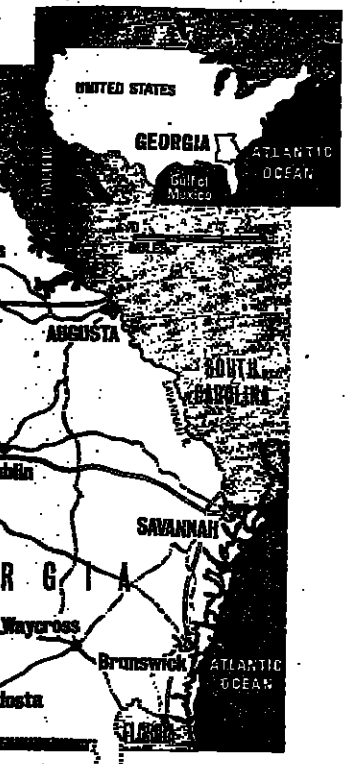
But the city recovered from this man-made disaster quickly and by the mid-1870s, according to contemporary newspaper accounts, "the scars of war" had been totally erased. While the rest of the Confederate South remained largely poor and linked to the soil, Atlanta—under the leadership of Henry Grady, the young managing editor of The Constitution—was already spearheading what was to be the first of many drives to attract northern and foreign investment.

Atlantans even then were already a breed apart: "They live fast and die fast, make money fast and spend it fast," an out-of-state newspaper reported. An editorial in an 1880 London Daily Telegraph talked of "arrogant Atlanta's swaggering town base of such large national and high-handed manner," while a grim joke of the time had it Coca-Cola, Atlanta has managed



that Atlanta businessmen were negotiating with the devil to sell the rest of Georgia in exchange for their city's prosperity. Atlanta, not surprisingly, saw itself differently: "Our giant metropolis," the Constitution claimed, "is the creation of the day before yesterday and the example for tomorrow."

In addition to being the home town base of such large national companies as Delta Airlines and Coca-Cola, Atlanta has managed



To-day, despite the property and economic recession, Atlanta's centre boasts soaring office towers, shopping plazas, parks and imaginative futuristic hotels containing indoor lakes, spectacular 22-floor high lobbies and the seemingly mandatory rooftop revolving bars. Unusually among American cities to-day, Atlanta's downtown area remains alive in the evening.

Between 1960 and 1970 Atlanta built a total of 36 new office buildings containing an estimated 15m. square feet of space. In the preceding 30 years not one single office block was built. Since 1970 a whole new line of buildings have been completed, probably more than doubling the extra space additions of the earlier spurt. These buildings include the \$200m. Peachtree Centre, the \$14m. 14-storey Omni Complex (containing hotels, offices and retail zones) and the \$100m. 1,300-room Hilton, financed by Kuwaiti funds.

The driving force behind much of Atlanta's development and certainly its attempts to revitalise its downtown area is Mr. John Portman, the 51-year-old architect and developer. Mr. Portman, who likes to talk in visionary terms of creating "large and uplifting... dynamic urban spaces," and "people-orientated buildings," was actually responsible for the Atlanta Hyatt and Peachtree Centre, two of Atlanta's most impressive complexes.

of the Atlanta property industry, did not allow for the fact that the property expansion was almost entirely based on projections of continuing economic growth and continuing population boom. The recession, when it came, hit hard. Office towers are now on average only 75 per cent. let, while hotels operate at below national occupancy levels. Existing estimates, based on a quick return to pre-1974 growth, suggest that it could take up to four years to use up and consume this spare capacity.

### Alliance

Historically, Atlanta owes much of its post-war success to the unusual alliance that existed between City Hall, on one hand, and the business leaders, on the other. But this traditional coalition was badly hurt in 1968 when business leaders backed the wrong horse in the Mayor's race and failed to anticipate the growing political clout of the expanding black population, which now accounts for well over half the total.

To-day Atlanta has a black Mayor. Maynard Jackson, elected with white support but nevertheless largely by the black population. Some of his policies, described by Whites as reverse discrimination, have placed a strain on the City Hall back and allowed the business links and probably in- directly contributed to what is chillingly described as "white flight" — the mass exodus of Whites from the city to the

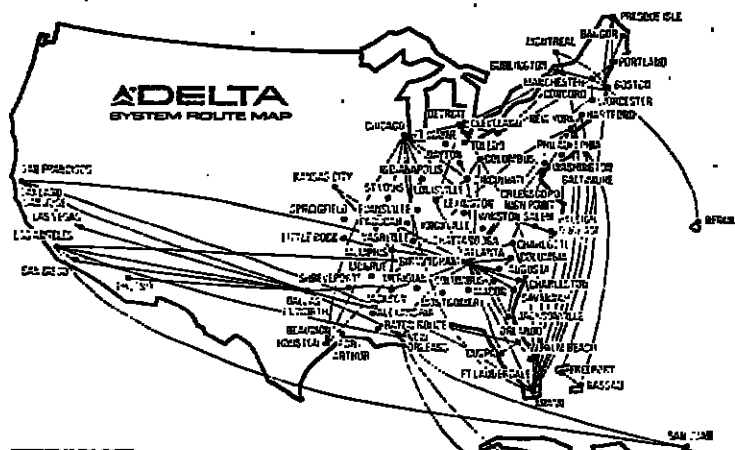
suburbs. Some call it the northernisation of Atlanta. Certainly now the city seems plagued by many of the same problems afflicting northern urban areas — crime, urban poverty, troubled schools and a dramatic turnaround in city population from white to black. Blacks now account for over 85 per cent. of city school attendance as opposed to 50 per cent. 10 years ago. As Whites move out, the city's tax base shrinks and the mayor's drive to provide more services to his black electorate becomes even harder.

The city which once described itself as "too busy to hate" is now treading a dangerous path towards racial trouble. The continuing if slow collapse of the urban core, combined with the continuing absence of massive manufacturing employment and the current high unemployment levels among inner-city Blacks, is clearly a potential breeding ground for trouble.

Even if there is not much that can be done, not all the signs are gloomy. There is now some reverse migration back into the city centre, and certainly the economy and out-of-state investment is picking up again. Having come so far to make its dream of becoming the world's greatest city come true, it seems unrealistic to expect reverse discrimination to sit placed a strain on the City Hall back and allow the business links and probably in- directly contributed to what is chillingly described as "white flight" — the mass exodus of Whites from the city to the

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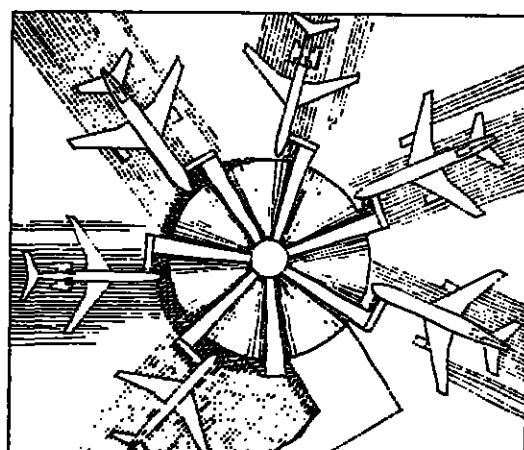


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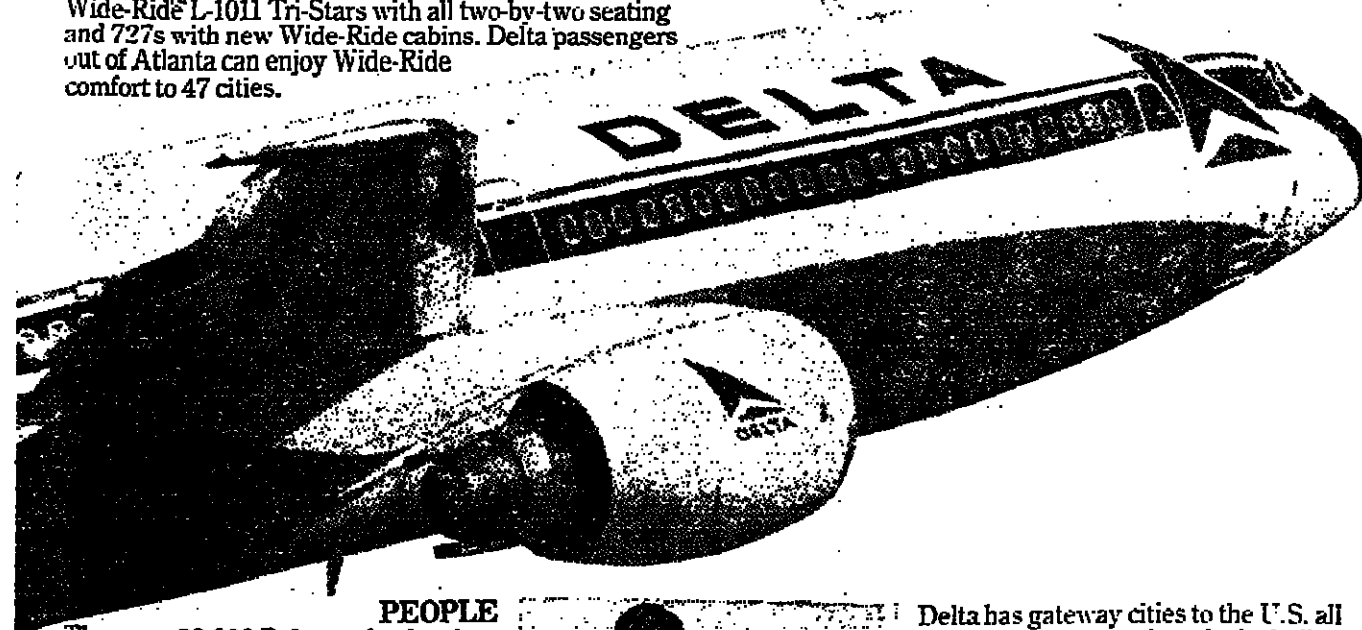
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#### PEOPLE

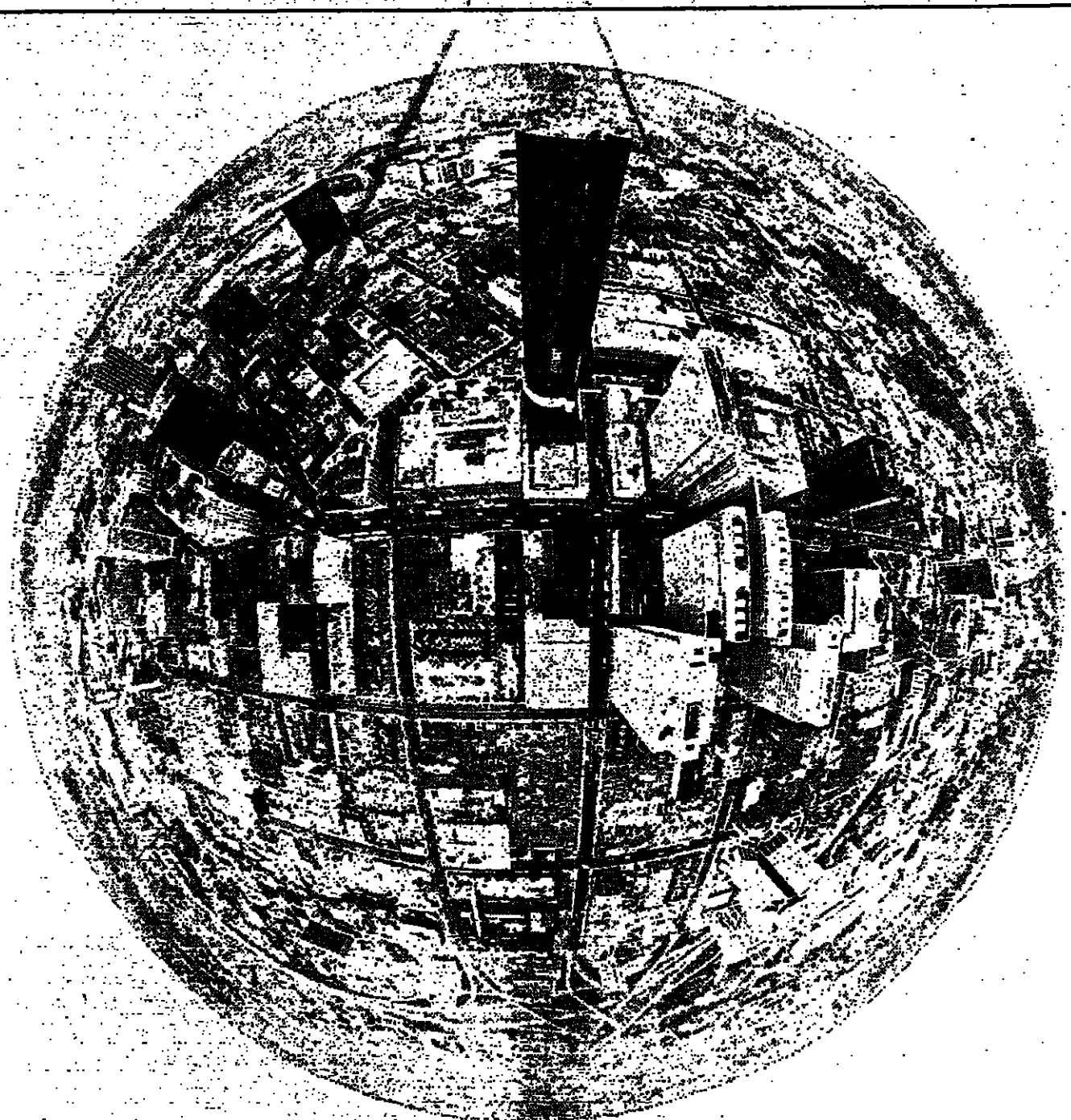
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The Atlanta skyline is dominated by the 70-storey Peachtree Plaza, the tallest building in the South.

## Slow economic revival

"THE MARBLE headstone came from Vermont and the coffin nails from Pittsburgh. The corpse was hauled on a wagon made in Indiana while the shovel handles came from New York. The cotton shirt on the dead man was made in Cincinnati, his coat and breeches in Chicago and his shoes in Boston. The South, so rich in undeveloped resources, furnished nothing for that funeral except the corpse and the hole in the ground."

This bitter account of a Georgia funeral by the Atlanta Constitution's managing editor, Henry Grady, in the 1880s, vividly drives home the lack of industrial development that existed in the South after the Civil War. But at the same time, Mr. Grady was one of the first to foresee a new and different South, "the home of 50m. people and vast hives of industry."

His vision of prosperity was about 70 years premature. Throughout the entire second half of the 19th century and

the first half of the 20th, the South remained largely an enclave of comparative poverty. Its per capita income in the 1890s was half that of the national average and there was little or no relative improvement until about 30 years ago. It was not, in fact, until the tide of westward American expansion ran out into the Pacific and turned south, after World War II that the term "New South" started to mean much in financial terms. Since then the South generally and the South East particularly have managed to outstrip the North in terms of virtually every single economic indicator.

Over the past 15 years, helped no doubt by the widespread introduction of air-conditioning, the population of the seven States constituting the South East has risen by 28 per cent, compared with a 19 per cent gain nationally. Personal income has risen by 114 per cent (up 77 per cent nationally), while manufacturing employment rose 50 per cent, four times the rate of the U.S. as a whole. To-day the per capita income of the region is no more than 10 per cent below that of the country.

out the South-East, it offers an unrivalled service. Already the second largest airport in the U.S. after Chicago's O'Hare, it is now the subject of a major expansion.

Apart from noting Atlanta's above average growth over the past 15 years, it is hard to measure the city's degree of success in selling itself. Still, there can be no argument that the city is now the headquarters town for the South-East. At the last count some 450 of the largest 500 U.S. manufacturing companies have regional or top offices in the city. In terms of the largest 200 companies in the South alone, it leads the city's list as the home of 22 of them.

But like the rest of the South, Atlanta was badly hit by the last U.S. national recession in 1975. Its growth rate, once way over the national average, fell back. Its unemployment, to all intents and purposes non-existent in the 1960s and early 1970s, rose to well above the national average. For the city, it was especially traumatic. Arguably it was Atlanta's first recession in over 100 years—it had never known the booms of the 1920s to any extent and it had not felt the impact of earlier national slow-downs in the 1950s and 1960s.

Part of the severity of the slump can be directly traced to the degree to which local industries were affected. Textiles are important and they were badly hurt. The city has three auto plants on its outskirts and the extent of worker layoffs there matched or even exceeded that of Detroit. At the same time passengers and freight through the airport fell. Lockheed Georgia (based outside the city but nevertheless a big employer) laid off more workers, while regional offices in the city (its ultimate life-blood) were cut or recalled.

But far and away the severest impact of the recession came on Atlanta's once-booming construction industry. The boom in population and flood of new headquarters throughout the 1960s had sparked off a massive turn to its pre-1974 growth

and virtually uninterrupted boom in building offices, homes and apartments. Not unnaturally, given the lead time required to put up a new building, a good part of this was anticipatory. Suddenly the demand was no longer there and Atlanta, for the first time in years, was left with a severe glut of property.

Exactly how much building was going on in Atlanta during 1960-74 is almost impossible to measure. In terms of additional office space in downtown Atlanta alone, one guess is that over 30m. new square feet came on to the market. What is possible to measure now, however, is the degree of the property slump—which one banker described as being only comparable to the "South Sea bubble" or the "Florida Marshes" bust.

### Reserves

While Atlanta banks have sharply increased and in some cases doubled loan reserves to allow for bad property loans, local employment in the construction industry has fallen from a peak of 50,000 jobs in early 1974 to not much over 30,000 now. The number of house building permits issued dropped 43 per cent in 1974 before falling yet another 26 per cent last year. Office buildings in Atlanta now stand on average only 74 per cent occupied, with some newer buildings having an occupancy rate of no more than 26 per cent. Various estimates suggest that there may be as many as 26,000 unsold or rented apartment units, 27,000 undeveloped residential lots and at least 9,000 unsold private homes.

Although there are grounds now for beginning to argue that property building confidence has swung too far towards caution and that a pickup in two years or so could quickly require buildings which ought to be started now, it remains that Atlanta will be a buyer's market for property for some time to come. Even if one takes the very optimistic suggestion that the Atlanta can and will soon re-attain its pre-1974 growth

rates, it will still take four or five years for business-office slack to be consumed and perhaps between two or three years for apartments and home supply to drop to normal.

This same glut occurred in the city's hotel industry. Over the course of the 15 years, Atlanta saw a good many new hotels going up—including the spectacular Hyatt, the towering Peachtree Plaza, the new Hilton and the Omni hotel and office complex. Although Atlanta is the third-most popular convention city in the U.S., after Chicago and New York, occupancy levels at its hotels are still low compared to the rest of the country and they are probably not doing more than breaking even.

In direct comparison with Georgia the rest of the south-east or indeed the U.S. as a whole, Atlanta is still not showing so strong a recovery, thanks to the continuing weakness of its construction industry, the drop in employment—in which accounted for 40 of total employment slump. The city's unemployment rate remains above Georgia's average at just over 7 per cent and its growth in new jobs is now well under half that seen in 1973.

All the same, the numbers are picking up and few in Atlanta are still pessimistic. "I hope there is no return to euphoria," says one banker, "we need a time of peaceful recovery." Over the longer term Atlanta still has a lot going for it. Convention business is forecast to pick up strongly thanks to the available hotel rooms and the new world congress centre. The airport expansion should ultimately attract new business, while the pending Atlanta-London international route must aid the city internationally. Certainly, despite this latest slump, the U.S. Federal Government is still suggesting that Atlanta's population will increase by 50 per cent over the next 15 years and that means still more growth.

Jay Palmer

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### Woven

Atlanta has long recognised that its ultimate economic fortunes are closely woven into the entire region—bankers in the city claim studies showing that growth anywhere in the South East generates jobs in the city—and certainly it was a prime beneficiary of all this relative growth. Although pockets of poverty do remain in Georgia (one in five of State residents live below the poverty line), Atlanta to-day exceeds Mr. Grady's wildest expectations.

Over approximately the same 15 years, the population of metropolitan Atlanta (which includes its immediate suburbs and thus makes no allowances for "white flight") has risen from 1.2m. to 1.5m., a gain of 25 per cent. Its motor vehicle registrations have risen by 157 per cent, while the number of passengers passing through its airport have multiplied by seven. Annual retail sales rose from \$1.4bn. to \$5.8bn., while clearings through the city's banks went up nearly four times to \$79bn. a year.

Although Atlanta likes to argue that its past and future economic fortunes are tied to the entire South-East rather than any immediate region, there can be no doubt that the State of Georgia's constant campaign to attract new industrial investment have paid off for the city. Like the rest of the South, Georgia has promoted itself on the basis of a string of fiscal, financial and labour incentives, and with some success. Between 1968 and 1974, 1,677 new companies opened plants in Georgia, creating 32,000 new jobs through \$1.78bn. of capital investment.

But while the State was self-upping business (most recently through its Brussels office), Atlanta had its own campaign generated and supported by its coalition of business and city government leaders. Not aiming until recently for manufacturing investment, the city promoted itself on the basis of its location in the midst of America's fastest growing region. Aiming at companies, it gave executive red carpet tours through the city selling cultural amenities, its "gracious life style," and its transportation facilities.

One of the strongest appeals of moving to Atlanta, according to almost every survey, is its excellent airport. The old joke is that when you die, whether you are going to heaven or hell, you will have to change planes in Atlanta. Certainly in terms of flight frequencies through-

ATLANTANS, THEIR freeways jammed with rush-hour traffic, turned in 1968 to a solution which many thought would be a panacea for their transportation woes: a rapid transit network projected, at that time, to cost some \$300-400m. Eight years later, construction on the first portion of the rail systems is well along, but the projected price tag on the completed project has risen to \$2bn. and no one is sure that is the final figure.

This cost escalation, characteristic of such projects elsewhere is just one of the points of controversy to dog the city's rapid transit plan since its inception. It was not universally acclaimed in the first place, and has many detractors to-day among those who believed that a totally busway system would be more flexible than the fixed and costly rail network, originally envisioned to cover 53 miles but in its first phase at least, funded for a system of only 13.9 miles of rails, fed by bus lines.

Rapid transit was viewed by Atlanta's leadership as the solution to burgeoning growth. Unrestricted by natural barriers, Atlanta has expanded swiftly from the centre outward into a sprawling suburban ring around

the older, inner city which the suburbanites vacated and left to lower-income blacks and whites. Freeways, virtually obsolete from the moment they opened, were jammed with traffic into and out of town. A rail system was viewed not only as an alternative to automobile travel, but as a source of revitalisation for the inner city and a force in shaping the physical growth of Atlanta. The system as planned follows the basic north-south, east-west freeway system, with the two major legs intersecting in downtown Atlanta.

### Suspicious

The first sales pitch to the voters was heavy-handed and paternalistic. Imposed from above on a populace which had little say on the matter and remained suspicious about the motives of rapid transit advocates. On November 5, 1968, they defeated the first rapid transit referendum. Virtually the entire black community opposed it.

Sadder but wiser, the business and political leaders started again, this time determined to avoid a soft sell approach and determined also to broaden the

base of support by enlisting the active participation of the citizens. MARTA (Metropolitan Atlanta Rapid Transit Authority), now a bi-racial body, listened to citizens' objections and shaped their plans accordingly.

Two key elements were achieved: a long-term commitment for a 15 cents fare as an inducement to the inner city poor and a 1 per cent sales tax earmarked for rapid transit funding. This time in November 1971, the system was approved, but narrowly, and only in two of the five urban counties.

Since the election, MARTA has moved steadily ahead over one hurdle after another: escalating fuel costs for its bus system, which was purchased from an existing company; rising land acquisition costs; rising opposition to rail lines in the areas; a fierce battle with the U.S. Labour Department over what wage scale to pay construction workers; engineering and other delays; and a bitter dispute with central Atlanta businessmen over how much disruption would occur in construction of the subway. The downtown MARTA station

CONTINUED ON NEXT PAGE



## ATLANTA III

# Bankers learn their lesson

THE LAST couple of years have, generally speaking, been troubled ones for the U.S. banking industry as a whole. But however common and widespread the crisis of problem loans, no banks in America have more right to mourn about this subject than those located in the South-East. It has become very clear that this geographic region has suffered far more than any other area in the country.

Simply, by far and away the largest loan losses (in terms of the proportion of total outstanding commercial loans) occurred within the Atlantic sun-belt. Banks located within the Federal Reserve's Sixth District, headquartered in Atlanta, reported on average "bad loan" charge-offs of nearly double the national rate.

In the Sixth District—which covers Georgia, Florida, Alabama, Eastern Tennessee and Southern Mississippi and Louisiana—the average member bank write-off reached a peak 1.16 per cent of total loans against the national average of merely 0.79 per cent. Another study, by Atlanta's only home-grown investment bank, Robinson-Humphrey, shows that in 1975 17 of the 25 highest individual bank charge-offs were at southern-based institutions. Four of Atlanta's five largest banks were among the 20 hardest hurt.

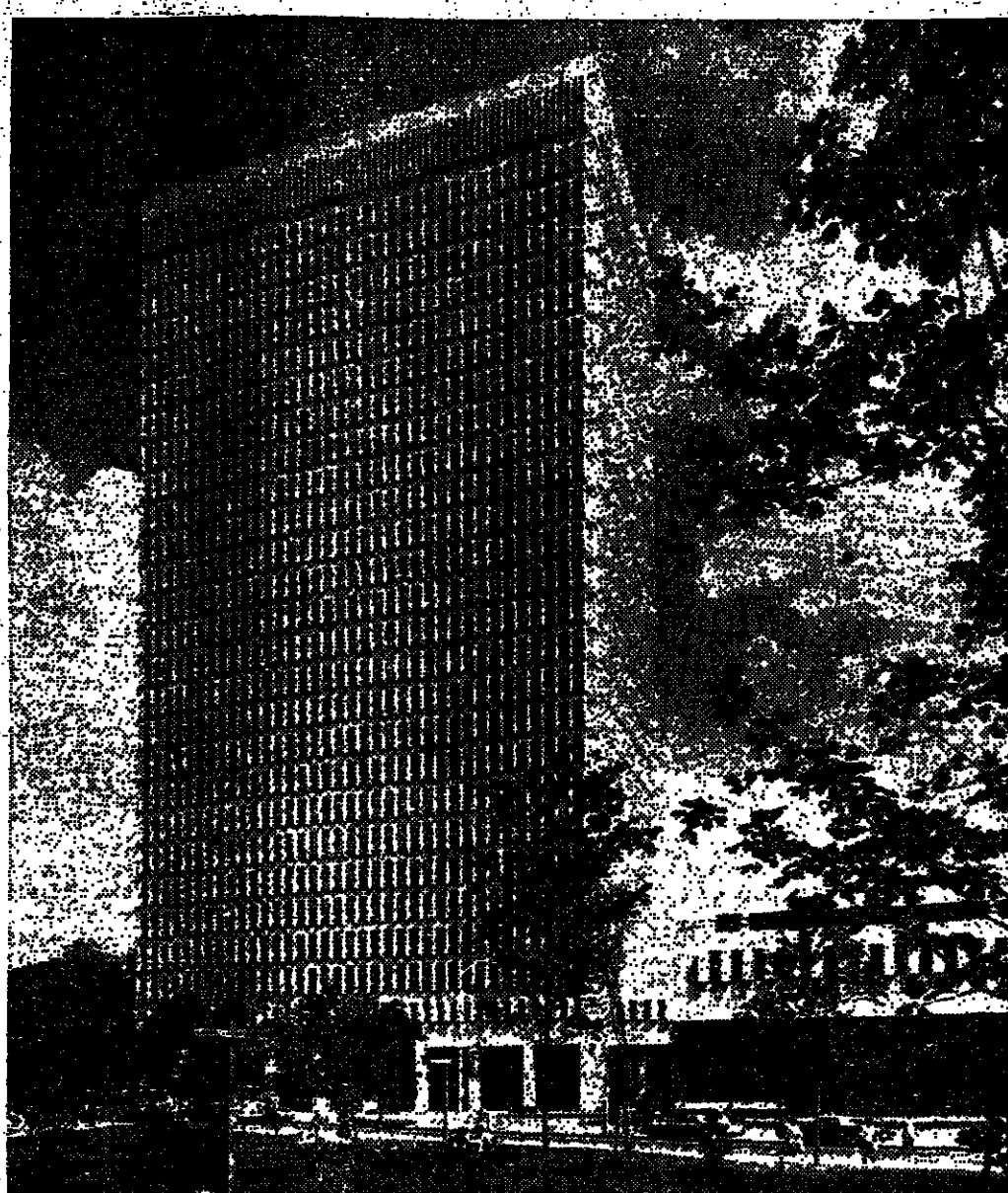
### Misfortune

The reason for this apparent concentration of misfortune in the south lay with this region's banks' very heavy involvement with the property construction boom. Until the onset of the recession, this sector was one of the fastest growing and most credit-hungry in the area. When the boom collapsed, Florida's second home industry and Atlanta's massive downtown office and residential builders were the first to feel the pinch. Now, looking back, property loans may have only accounted for—say—30 per cent of total loans, but they nevertheless often now make up 75 per cent of total bad debts.

In the words of one Atlanta bank's 1975 annual report: "Until 1974 the South East had been fortunate for it barely felt the tremor that affected the U.S. economy in the 1950s and 1960s. But the 1974-75 recession hit our part of the country full force... this (earlier) rapid growth fostered a boom in the construction and real estate industries... and most banks accepted their responsibility to help finance the development of our region. It is this very segment of the economy that has been hardest hit."

But to say that Atlanta's banks were so badly hurt just because "property" was the town's biggest boom industry does not tell the whole story. "Our critical mistake," says Mr. Dick Kattel, the young Chairman and Chief Executive of Atlanta's largest bank, Citizens and Southern, "was that we kissed every pretty girl that passed by. We were not discriminating enough." Indeed Atlanta's banks, like the property developers and speculators themselves, got totally carried away by the property boom. They forgot that the growth was based on the boom-and-bust cycle of the economy and that no good thing goes on forever.

Atlanta now abounds with pessimistic apocalyptic stories of bankers at the height of the boom in 1972 and 1973 falling over themselves to lend small



The Trust Company of Georgia building in Atlanta.

### ATLANTA'S THREE LARGEST BANKS 1975 (1974)

	Citizens and Southern	First National Holding Co.	Trust Co. of Georgia
Income before securities transactions, \$m.	15.3 (9.8)	7.0 (10.0)	0.67 (12.72)
Total deposits, \$m.	2.22 (2.12)	1.45 (1.53)	1.23 (1.26)
Total assets, \$m.	3.08 (3.09)	2.13 (2.45)	1.72 (1.75)
Total outstanding loans, \$m.	1.91 (2.17)	1.26 (1.39)	0.86 (0.94)
Total reserve against future loan losses, \$m.	30.5 (29.5)	23.7 (15.1)	30.8 (7.2)
"Bad" loans write-offs, \$m.	29.6 (35.1)	24.3 (14.2)	14.7 (8.1)
Percentage of "bad" loans from property	39 (44)	not known	50 (31)

fortunes to untested developers at five or more percentage points above the then prime lending rate of 12 per cent. Today banks are writing off these "bad" loans and foreclosing on property. On even the more optimistic of projections, suggesting a quick return to pre-1974 growth rates, it could take up to four years for Atlanta's excess building and residential property to be consumed.

But the signs now are far from bad. The economy is recovering and with it bank earnings. Atlanta's banks now have a new opportunity to spread branches across the whole of the State thanks to a change in Georgia banking law. This must ultimately give them a much larger deposit base and thus increase their commercial and industrial lending abilities.

The prospects for a continuing economic boom across the entire South-East remains good, and Atlanta banks are in a prime position to catch much of this ever-increasing business. Bankers in Atlanta now like

given independent financing authority—a move which must generate business for local bankers.

Second, apart from being the home base of the regional Federal Reserve Bank (whatsoever good that brings), it can now boast the addition of its first ever foreign bank office. Earlier this year, following the relaxation of Georgia state banking law, Barclays Bank opened a wholesale corporate banking office in downtown Atlanta. Although no-one is certain, this is believed to be the first time that any foreign bank has opened such a corporate loan generation plant in the South-East.

### Corporate

Barclays, which already has a retail banking presence in New York and California, will not be allowed to take deposits or offer individual bank services in Georgia. "Our aim is corporate business," says Mr. David Burke, Manager of Barclays Atlanta. "We will take loans on our own books and generate business for the rest of the group without facing any lending restrictions in terms of giving too much to any one customer. We can help European companies come into this expanding market and aid local companies overseas."

That Barclays has picked itself a growth market does seem to be borne out by the future growth predictions for the region. What applies to Barclays, however, must apply to local banks even more. Armed with a much greater degree of caution, it seems hard to produce a future scenario of nil growth for Atlanta's banks.

J. P.

### Strong

But Atlanta does have at least a couple of strong points going for it. It is first the regional headquarters of a company as it does the South-East headquarters for virtually every non-southern-based company operating in the South. According to various studies, an ever-increasing number of these

## Transport

CONTINUED FROM PREVIOUS PAGE

yielded by abandoning its so-called "cut and cover" proposal in favour of outright tunnelling.

Work is well along, however, on the first portion of the east-west line and also on the downtown terminal. The original \$500-million system, which shrank to 14 miles as a result of economic forces such as reduced federal revenues and inflation, is still envisioned as an ultimate objective, with leaders confident the money will be found to pay for the rest of the system when the time comes. Right now, the U.S. Government is committed only to pay 80 per cent of the first, smaller phase, which is projected to cost over \$100 million.

MARTA has been, perhaps, the most visible public works controversy in Atlanta, but it is by no means the only one (private construction seems to escape this kind of dispute). Another project which ended in Thomas G. Cousins, then-congressman, was that this peace but which was begun in constructing the multi-purpose, state-owned Georgia World next to the Omni sports

Center—a huge convention exhibition facility which south of the central business district, offered to donate the convention and hotel industries are depending upon to carry them into a prosperous future.

The proposal started peace-fully enough in 1971 when State leaders joined Atlanta's leaders in the belief that Georgia's future lay increasingly in international commerce—and thus prominent real estate entrepreneur, Mr. Ewell Pope, offered at one point to buy land near the Civic Center and give that to the State for the GWCC. Obviously, the financial self-interest of the key real estate executives was involved, but characteristically, they also differed over what they saw as the broader public issues of traffic congestion, visibility and cost. The State finally decided to locate the centre adjacent to Omni International, and the issue appeared resolved (the State's position was that this was closer to State-owned real estate, which would thus appreciate in value). But then

### Complex

But Atlanta developer Thomas G. Cousins, then-congressman, was that this peace but which was begun in constructing the multi-purpose, state-owned Georgia World next to the Omni sports

entered another Atlanta developer, Mr. James Cushman, builder of the now financially-strapped Colony Square multipurpose complex, with a proposal to build the centre with private funds.

Mr. Cushman, who had supported Jimmy Carter for Governor, persuaded the Governor to intervene and postpone the actual start of construction on the exhibition centre until private funding could be achieved. In the end, however, private funding proved unfeasible and construction was begun on a tight schedule in 1975. The Georgia World Congress Center opened on time in September, 1976 for an apparel industry trade show. Just over a month later, the general public got an introduction to the facility when President-elect Carter held his election night victory celebration in the hall.

Tom Walker  
The Atlanta Journal

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## ATLANTA IV



J. Paul Austin



Mills B. Lane Jr.



Coretta Scott King



Andrew Young



John Portman



Maynard Jackson



George Busbee

# The city's power base

FOR ITS YEARS of explosive growth, Atlanta's big decisions were made by a kind of "shadow" government—a casual and informal network of personal relationships among business leaders who, quite outside the statutory channels of political authority, made things go in Atlanta. If something was viewed as good for the city, they made it happen. And if, at the same time, it added to their income and power, that was all right too.

The base of power lay in the shadows of Five Points, Atlanta's financial district, rather than at City Hall, which for all practical purposes was an extension of the business community. These were the years of Forward Atlanta, a deliberate sales pitch by the community to the rest of the nation which helped catapult Atlanta into the ranks of national cities. Atlanta then at the late 1960s and sought to become "the world's next great city,"

which was the slogan of an updated Forward Atlanta pitch. The city was carried to national prominence by a relatively small number of influential business and civic leaders who conferred behind the scenes, often by telephone, or over lunch in the plush Commerce Club downtown, reaching consensus on ironing out problems or, more importantly, locating dollars to pay for what needed to be done. The man who guided the city through those years is Ivan Allen Jr., 65, chairman of Ivan Allen Company, a business supply firm.

Mr. Allen's bold and progressive leadership helped to shape the moral climate in Atlanta. For unlike many sister cities in the 1960s Atlanta, by a deliberate decision of Mr. Allen and other leaders, was spared the wrenching racial violence that marked a turbulent era. While Mr. Allen was "out front" before the public, working with him behind the scenes was a man whose contribution to the city is beyond calculation, and whose penchant for anonymity became a local legend. He is Robert W. Woodruff, 87, under whose leadership from 1923 until his retirement the Coca-Cola Company became a worldwide institution. Few major organisations or institutions in Atlanta have not received financial support from the "anonymous donor." Among the most fruitful were the Atlanta Memorial Arts Center, a memorial to a host of cultural

leaders who were killed in a Paris plane crash in 1961, and the \$10m. donation to Atlanta for construction of Central City Park downtown. Mayors, senators and even Presidents have received his private counsel.

Mr. Woodruff's successor at Coca-Cola, 61-year-old J. Paul Austin, chairman and chief executive officer, continues in his tradition of civic involvement, and has even been mentioned as a possible top-level appointment by President Jimmy Carter. Mr. Austin in effect is one of the links between the leadership of the 1960s and the contemporary leadership at City Hall, which has taken a very different turn. He is a keystone figure in Central Atlanta Progress, a privately-funded organisation of businesses, individuals and organisations devoted to promoting the strength and growth of the central business district.

## Credit

Although retired also, Mills B. Lane Jr., 64, former chairman and president of Georgia's largest bank, Citizens and Southern National Bank, shares substantial credit for the direction of Atlanta's growth. During the 1960s, the often flamboyant Mr. Lane presided over a lending institution which is credited by the Atlanta real estate industry with almost single-handedly financing, or helping to finance, the city's physical growth.

Another Atlantan who bridges the decades is Harold Brockey, 67, chairman of Rich's, the Atlanta-based department store chain. It is generally conceded that the decision by Rich's management to maintain and even enlarge its expansive downtown store was a key factor in stabilising the inner city at a time when the suburban exodus of businesses and families had begun. Mr. Brockey, like his predecessor, the late Richard H. Rich, remains dedicated to the future of the central business district.

## Influence

Two leaders of the Atlanta black community whose influence goes beyond the city are Mrs. Coretta Scott King, widow of Dr. Martin Luther King Jr., and King's father, the Rev. Martin Luther King, 77, pastor emeritus of Ebenezer Baptist Church. Mrs. King has carried on an active pursuit of her late husband's civil rights work as head of the Martin Luther King Jr. Center for Social Change in Atlanta. The Rev. King has been instrumental in maintaining racial peace in the city and has served as an unofficial adviser to Atlanta mayors and a vocal supporter of President Carter.

Another black leader from Atlanta whose prominence goes beyond the city and state is Andrew Young, 44, a confidant of Dr. King's during the bitter civil rights struggles of the 1960s and now a member of Congress from Atlanta. Young was one of the earliest and strongest supporters of Mr.

Carter's presidential bid. Accompanying Atlanta's population growth, and indeed making it possible, was the work of a corps of real estate entrepreneurs who reshaped the city's skyline. One of the most influential is John Portman, 52, whose combination of architectural skill and business acumen produced the Merchandise Mart, which helped make Atlanta a major wholesale marketing centre, and the spectacular Hyatt Regency Atlanta Hotel, whose 22-storey atrium changed the direction of hotel design in America. Portman's major local accomplishment is Peachtree Center, a multi-purpose complex that is one of the anchors in a downtown hard pressed by the impact of existing business firms.

Another real estate developer whose operations, like Portman's, extend well beyond Atlanta's borders is Thomas G. Cousins, 45, founder and head of Cousins Properties. While his activities encompass many forms of real estate, one of his most daring projects is Omni International—an enclosed multi-purpose downtown complex conceived as the first phase of an ambitious central city redevelopment project, which has been slowed in recent years largely by economic and demographic trends in the city.

From the new political and economic realities in Atlanta have emerged new leaders, including some of those mentioned above. An attorney and potential rival of Mayor Jackson is the 1977 Mayor's race is Wyche Fowler Jr., 36, who

was elected Vice-Mayor with Mr. Jackson but became president of the City Council upon enactment of a new City Charter. Mr. Fowler will presumably capitalise on whatever disaffection with Mayor Jackson has developed in the predominantly white business establishment in Atlanta, though Mayor Jackson will no doubt retain a hold over the black vote. Leaders insist such a Mayor's race would not, however, represent a purely black-versus-white contest.

Within the business community itself are budding successors to the retiring leaders of the 1960s. One of the most prominent is Joel Goldberg, 51, president of Rich's, who shares with Mr. Brockey a strong involvement in many phases of the Atlanta civic, business and art worlds. Mr. Lane's successor at Citizens and Southern is Richard L. Kattel, 40, who heads what is essentially a State-wide banking organisation. Bert Lance, 45, gained national prominence recently when President-elect Carter said he would be named to a cabinet-level post (either director of the Office of Management and Budget or Secretary of the Treasury). Mr. Lance is a relative newcomer to Atlanta. A small-town banker initially, he served under Governor Carter as head of the State Highway Department.

Younger leaders in Atlanta recognise the role their city plays in the broader State and regional communities. But a South Georgia native who is a temporary resident of Atlanta by virtue of his election as Governor is attorney and veteran politician George Busbee, 49. Governor Busbee is one of the few State chief executives openly and persistently to support the growth and fortunes of Atlanta in a State traditionally split along rural-urban lines. He is an advocate of stronger ties between the State and its largest city as both seek roles which Governor Busbee perceives to be international in scope: Georgia as a trade gateway to the south-east, and Atlanta as an air-sea port of entry.

Tom Walker

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For further information contact: Ms. Sylvia Reed, Industrial Department, Shenandoah Development, Inc., P.O. Box 1157, Shenandoah, Georgia 30265 U.S.A.



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THE FIRST NATIONAL BANK OF ATLANTA

## Mr. Carter and Mr. Young

LOGICALLY, Atlanta ought to dominate the politics of Georgia. In the last few months, indeed, it has sometimes seemed that the city was even laying a claim to be the second most important political centre in the U.S., as Mr. Jimmy Carter celebrated his presidential election in triumph and as strains of directives and opinions bearing the names of Atlantans who, before the advent of Carter, nobody had ever heard of, suddenly became the talk of the nation.

But appearances can be deceptive. To be sure, there is a well of Atlanta expertise on which the President Elect draws for his political and economic advice: to be sure, he said that he owed his election more to Andrew Young, the black Atlanta Congressman, than to any other man in the country. But it is easily forgotten that Jimmy Carter's first step on the road to political fame was made by very deliberately running against the Atlanta establishment: that he co-opted it later was secondary.

It is classically said that there are two Georgias—metropolitan Atlanta and the rest of the State—and there is a long tradition, still alive to-day, which suggests that the sure course to political power in Georgia is to take on the city of Atlanta.

In good measure, this is the stuff of the populist southern tradition which has always been strongest in the countryside and in the small towns. At the turn of the last century it was Tom Watson, with his appeals to the rural "wool hats" who made it work, and it was later refined to an art by Eugene Talmadge, Governor and senator, forever snapping his red gaiters (braces) at country fairs and disguising the acuteness of his own political senses by inveighing against the sophistication of big city politicians.

It might have been supposed that the rise of the New South in the last generation would have laid this tradition to rest. But Jimmy Carter, a personification of the New South, used it to the best advantage in his campaign for the governorship in 1970 against the capable, progressive Carl Sanders, who had the solid backing of the Atlanta establishment. In that campaign, Mr. Carter, who sought

invariably to portray himself as a peanut farmer from Plains and not as a competent businessman with advanced social policies, lost Atlanta but carried the State: four years earlier, Lester Maddox, the epitome of the old bigoted South, had ridden his bicycle backwards along the country lanes of Georgia and thrust aside the challenges of Ellis Arnall and Howard Callaway.

Even more recently, in 1972, another sophisticated country boy, Sam Nunn, then an unknown State representative, pursued similar tactics, was defeated in Atlanta, but played on redneck feelings sufficiently successfully to become the new U.S. Senator from Georgia.

Mr. Carter's great achievement, however, was almost immediately to discard in his gubernatorial campaign as soon as he was installed in the State House in Atlanta. He had told Atlanta Blacks to ignore what he said and watch what he did, and the symbolic hanging of a picture of Atlanta's most famous black son, the Reverend Martin Luther King, in the State House was precisely the proof that black Georgians were looking for.

## Confidant

Thus it was that Atlanta became the first congressional district since 1898 to send a black man from the Deep South to the Congress of Washington. The man was Andrew Young, Mr. Carter's close confidant, and he is clearly destined to make a major impact on the national political scene. Given the city's relatively progressive tradition and approximately 50 per cent. black population (in 1972, it even had a black Vice-Mayor, Maynard Jackson, who in 1973 became, and still is, Mayor of Atlanta), Mr. Young's election in hindsight does not appear surprising: but low black voter registration and the authenticity of white Atlantans had proved effective stumbling blocks to black ascendance in the past. Mr. Young campaigned heavily in the white areas of Atlanta, was rewarded with 25 per cent. of the white vote, and, now, with the solid backing of the Atlanta establishment, has established a seemingly secure political base.

It is this last factor—the awakening of black political power—which is threatening to rewrite the classical Georgian political textbooks, at least in part. It would seem that the day of the real racial bigot is drawing to an end: Lester Maddox is now a spent and pathetic force; at the same time, the other U.S. Senator from Georgia, Herman Talmadge, son of the notorious Eugene, has broken remarkably away from the narrowness of his political upbringing and is generally reckoned one of the more effective and intelligent, if sometimes uncommunicative, members of the Congress in Washington. Atlanta, once deeply suspicious of the name Talmadge, now approves of the seign.

However, the Atlanta versus the rest of Georgia conflict has now become secondary with the accession of a Carter presidency. Though Woodrow Wilson was born in Georgia and though Franklin Delano Roosevelt spent some of his happiest days in his "Little White House" in Warm Springs, Mr. Carter is the first true southern President in nearly 120 years. More important, irrespective of how he got there, he is indisputably a child of the New South, which in turn is enthralled by the City of Atlanta. Thus Atlanta may well claim to have one of its own in the highest office in the land.

Jurek Martin  
U.S. Editor

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# ATLANTA V

## Racial tension simmers

EVEN IN the days when its public water fountains carried the humiliating sign "For Coloureds only," Atlanta liked to describe itself as "A city too busy to hate." Certainly in comparison with other metropolitan areas in America's Deep South like Selma and Little Rock, Atlanta moved early and relatively peacefully towards full racial integration.

Following the enlightened self-interest advocacy of liberal mayors and business leaders, who saw resistance to federal desegregation as the surest path to economic suicide, Atlanta can now look back on the troubled 1960s with a sense of justifiable pride. But this pride over the past is now becoming overshadowed with growing fears about the future.

For whatever reasons, white flight away from the city to the suburbs shows little signs of abating or even slowing down. Relatively less well off blacks, drawn to the Mecca that Atlanta stands for in rural Georgia, are filling this city vacuum. The result has been a dramatic 15 per cent of the white vote that he captured in 1972. He sees his constituency as the low-income blacks and this was not what many expected.

The federal Government's most recent (1970) population census shows Fulton County—which is effectively the Atlanta metropolitan area—to be a 39 per cent black oasis surrounded by largely white communities. Within the city proper, blacks now account for over 55 per cent of the total 1.8m. population, up from 38 per cent in 1960. The city school system is now 85-90 per cent black, up in a gigantic burst from only 48 per cent in 1963.

Although blacks still account for less than 50 per cent of voter registrations in Atlanta, and there is thus still some way to go in terms of political proportional representation, the most immediate impact of this new black power can be seen in politics. The city to-day has

that of the Whites and, if anything, the ratio is probably worse in the city. In Atlanta, which has a city unemployment rate of 7.1 per cent, the Black community has pockets of unemployment as high as 20 or even 25 per cent.

This city core of unemployed and low income Blacks is obviously given the huge gulf between the "haves" and "have nots" in the area, a breeding ground for racial troubles. "Blacks," argues Dr. Charles King, the Black President of Atlanta's Urban Crisis Centre, "have won their basic civil rights dignity. We now must win our economic rights. This is much more difficult for Whites to accept but, until we win, racial tensions will rise."

The city is obviously aware of the problem. It is trying hard to attract light manufacturing and labour-intensive industry and move away from simply being a regional distribution and service centre. Business leaders are becoming concerned about the situation and pouring more money into both the downtown city business centre and the city's residential zones. But while there are some vague signs of reverse migration back into the city, the main direction of money continues to be outwards.

It is difficult to know exactly what sparks off White flight in the first place, and certainly it is by no means unique to Atlanta. Some argue that it is part of the increasing family mobility and the American dream of owning land in the country. It is noted in Atlanta that White flight appears to be an inaccurate term. It is really economic flight since middle-class Blacks are now also quitting the city's high taxes, its less attractive life styles and its high crime rates.

But whether or not colour of skin enters into the calculation (and given White concern over the nearly all Black city school system, it still certainly does), Atlanta's switch from high income to low income bodes increasingly ill for its tax base

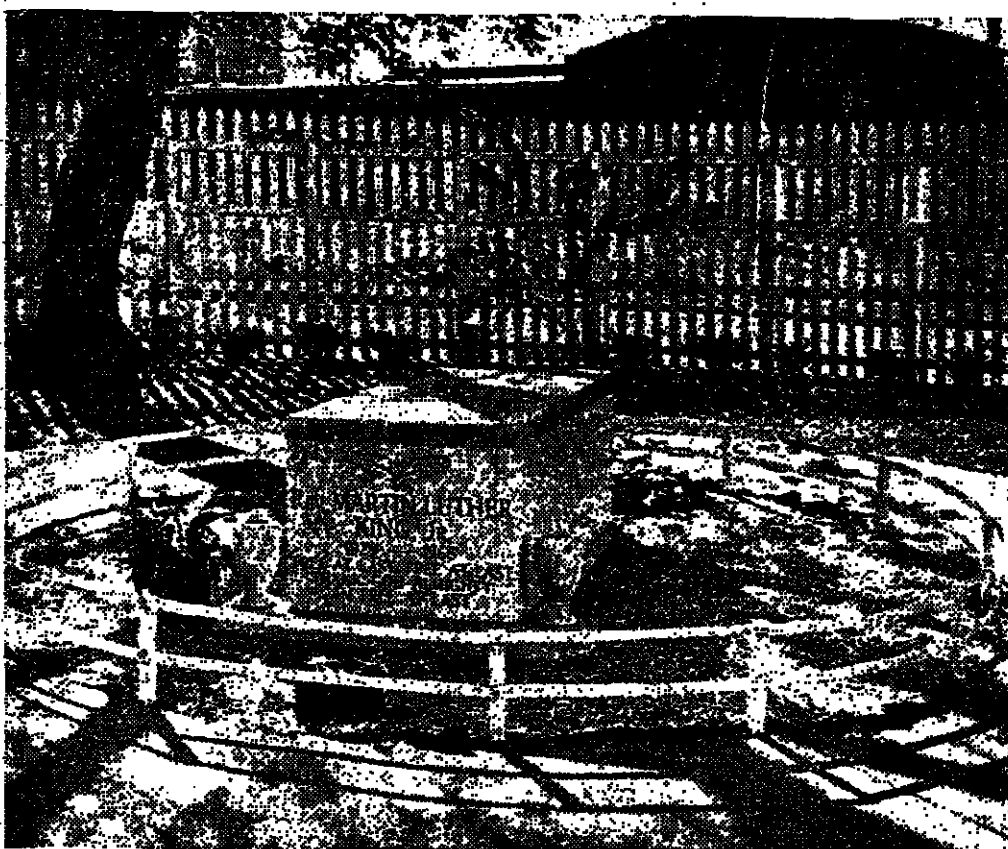
and thus ultimately the extent to which city expenditure can alleviate unrest among the Black population. Limited by law from deficit budget financing, Atlanta—if its moderate Black leaders are to keep the support of the increasingly disgruntled electorate—will soon have to either lift taxes or widen its tax base.

Any tax rate increase would have only doubtful value since it inevitably must increase the flight from the city. Still, the only other solution aside from federal aid, widening the tax base, is opposed by both city Blacks and suburban Whites. Blacks in the city centre see such a move in the light of diluting their new-found political power, while Whites, having escaped the city's ills, obviously do not want to get drawn back in.

Whether or not one sees eventual racial problems exploding out of the current situation depends very much on who one talks to in Atlanta. Although some business leaders admit to growing concern (especially over the possibility of extremist Black politics) leaders taking over City Hall, most vehemently reject scenarios containing major racial confrontations. Still Atlanta's Chamber of Commerce has now partly redirected the target of its city sales efforts away from foreign and northern companies to city residents themselves with its latest "Talk up Atlanta" campaign.

The vicious circle affecting Atlanta is, of course, not by any means unique and indeed has been described as nothing more than the northernisation of the city. Still, doomsday predictions based on what Dr. King, a follower but no relation of Martin Luther King, calls the "suicidal division of the city into two societies" do exist. Perhaps though, it is simply as Don Bradley, a sociologist at Georgia State University in Atlanta, says: "The city that was too busy to hate no longer exists. It has grown up."

J. P.



The grave of Martin Luther King, Jr.: "Free at last, free at last. Thank God Almighty I'm free at last."

## Business goes its own way

THERE ARE, to a visitor, many very good explanations as to why Atlanta grew so fast over the last 20 years—among them the economic boom of the entire South-East, the city's geographical location, its roads and its airport. But ask anyone actually living in Atlanta and the chances are that you will get a very different answer.

Almost inevitably, you will be told that Atlanta owes its historic strengths to the widely reported and almost unique coalition that existed between the city Administration and its business leaders during the hectic days of growth in the 1950s and 1960s. In the same breath, it will be pointed out that this degree of co-operation no longer exists either forgot or ignored the fact that Atlanta is much the worse off for its lack. If indeed increasingly a Black city and didate it ever existed at all, many their chosen candidate lost out. Although black and elected claim, the honeymoon between to Mr. Sam Massell, a Jewish liberal, who, attacking the city's "power structure" and promising more aid to Blacks, received over 90 per cent of the Black vote.

Although Massell during his time in office worked closely with the business community over such issues as Atlanta's rapid transit system, White business leaders admit to-day that they were never very comfortable with him. As far as Atlanta's business leaders were concerned, this was the beginning of the end of their political domination of the city. In 1973 Maynard Jackson, the Vice-Mayor under Mr. Massell, beat his old boss and the Chamber of Commerce's can-worse off for its lack. If indeed increasingly a Black city and didate it ever existed at all, many their chosen candidate lost out. Although black and elected claim, the honeymoon between to Mr. Sam Massell, a Jewish liberal, who, attacking the city's "power structure" and promising more aid to Blacks, received over 90 per cent of the Black vote.

### Closely

support, Jackson did receive an estimated 27 per cent of the White vote. Whites in Atlanta, including its old-time business leaders, suddenly found that they had swapped political roles with the Blacks—it was now their turn to be in a position not to elect a candidate of their choice but rather influence the degree of success of the dominant group's choice.

According to Thomas Hamall, Executive Vice-President of Atlanta's Chamber of Commerce, "there never was any honeymoon between Jackson and the business community except in comparison with the real split that existed with the previous Mayor. Others suggest that there was for a brief period. But administrative chaos existed in the Mayor's office, one banker said and prominent businessmen "quickly became fed up with not having their telephone calls returned or letters answered. At the same time the promised consultations over policy just did not take place."

The crisis of confidence, if you can call it that, came in mid-1974 when a group of business leaders, operating under the auspices of Central Atlanta Progress, a business lobby, sent a powerfully worded letter to the Mayor spelling out the serious problems facing the city (white flight, crime, poor schools, etc.) and accusing him of being "anti-white." The letter, which was leaked and published in the Atlanta Constitution, spelt out a doomsday scenario for the city's future.

Since then relations between the Mayor and business leaders have shown a definite improvement. Mayor Jackson is now asked to speak to visiting businessmen thinking of moving or investing in Atlanta. Certainly, whatever the history, there seems a much stronger degree of co-operation between Atlanta City Hall and the business leaders than in many other metropolitan areas.

"Everyone finally realised that conditions have changed," Don Bradley of Georgia State University says. "The Mayor to-day cannot afford any longer to bow to the demands and wishes of one group. He must walk a very narrow and practically difficult path between the demands of the black community, the needs of White business, while heading all the time the growing political strength of the suburbs. It is not only the white business leaders who are disappointed, but he cannot deliver everything to everybody."

J. P.

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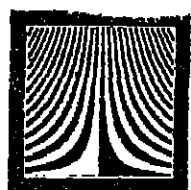
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ● NORTH SEA OIL

### Making sure drill holes go straight

SELF-CONTAINED, an accurate instrument for down-hole surveying of oil-wells is being operated by Ferranti Offshore Systems.

Acquisition of precise survey data for large diameter casing runs is of vital importance when multiple production wells are being drilled from a platform, to avoid breaking through into previously drilled holes.

The Ferranti casing surveyor is the name of the unit, built in collaboration with Shell Exploration and Production (Aberdeen) to a specific operational requirement of theirs. It is currently being used by Shell/Eso to survey the alignment of production wells from the Brent D platform in the North Sea. In

this particular application, the Ferranti casing surveyor is being lowered to depths of 900 feet (275 m.).

Continuous recording of data, on a magnetic tape, of distance travelled and the direction and magnitude of corresponding lateral displacements as it is lowered down the hole is made. When recovered, the data from the tape is entered into a field analysis unit which calculates and prints out the angular alignment and lateral displacements of the casing at given depths relative to the known starting datum. These displacements are accurate to within  $\pm 5$  cms, and alignment within 1 minute of arc.

Developed by the Inertial Systems Department of Ferranti

sensing unit designed for the precise navigation of aircraft and for accurate land survey applications. More than 600 of these navigation units are in service throughout the world (including outer space) and their accuracy of operation and reliability has been proven.

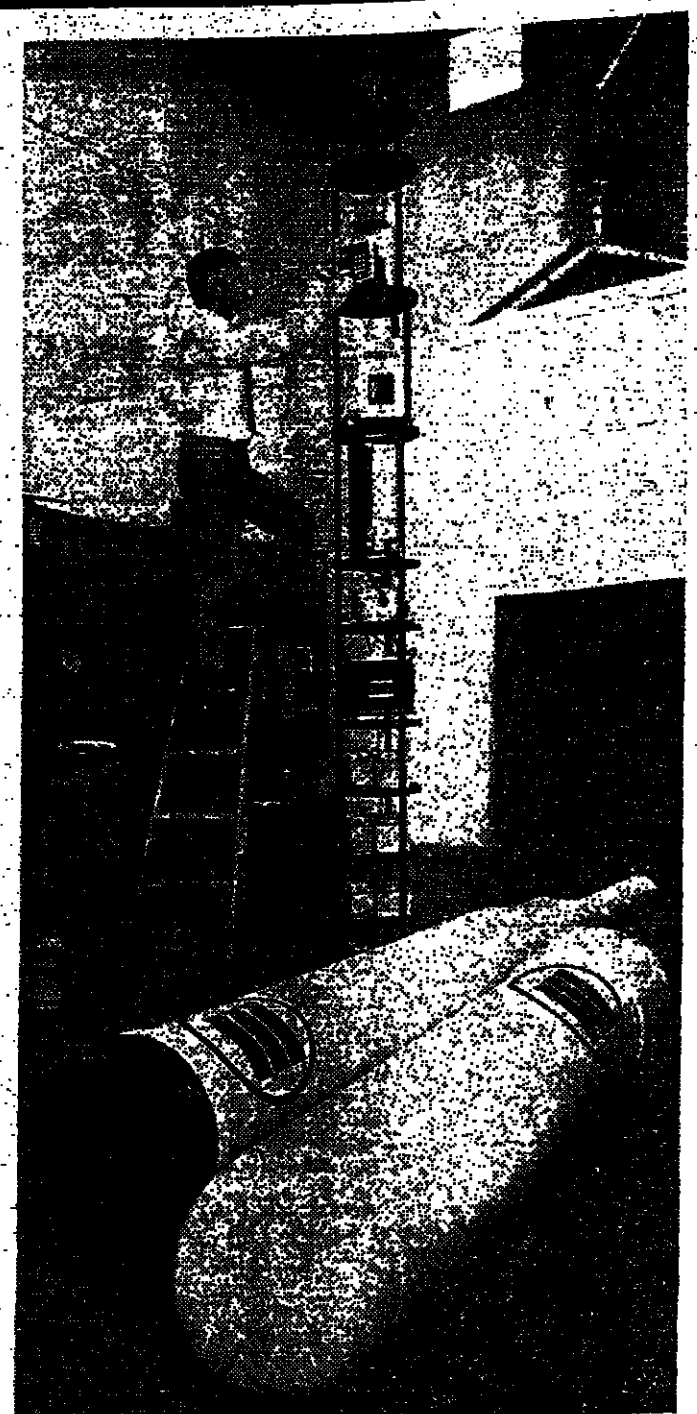
Inertial sensing equipment includes a gyroscopically stabilised platform which is maintained in a fixed attitude in space regardless of changes in the orientation of the vehicle in which it is being carried. Three precision accelerometers are mounted on the stabilised platform with their axes aligned mutually at right angles to one another. These detect accelerations (movements) along any, or all, three axes and the output signals are integrated twice to

derive displacements from the known starting datum. A tiny computer incorporated in the inertial sensing unit performs these calculations. It is these results which are recorded on magnetic tape for subsequent analysis.

In addition, the computer is programmed to control the complete operation of the instrument while it is being lowered and raised in the hole. Since batteries are included in the instrument pack, the entire system is self-contained and can operate for several hours, independently of external control signals and services while a survey is being performed.

Operation is simple. After the unit is switched on, the platform levels itself automatically and gyrocompasses one axis to face

The Ferranti casing surveyor for accurately measuring the alignment and position of oil-well casings in the sea bed down to considerable depths. In the background is the "cage-rack" on which the precision inertial sensing equipment, power pack and recording unit of the self-contained Ferranti casing surveyor are being assembled.



## ● SOFTWARE

### U.K. group has French connection

BRITAIN'S biggest independent software house, CAP, is back in the French market through an agreement with the very large services and software group, Silgos, to form a joint marketing group in France.

This means total European coverage for CAP-CPP—the marketing wing of CAP with companies or agents throughout the EEC plus Spain and Portugal. Both parents will contribute program products they

develop to the new company. This will have behind it the strength of Silgos which should turn over some £20m. this year from its nine bureaux and software operations and the expected £8m. from CAP.

CAP is also working on the development of extensive aids for companies who want to use micro-computers, and when this work has reached a marketable level of development it appears a foregone conclusion that Silgos will be interested.

The latter will hold 51 per cent of the equity in the new company (Silgos-CPP) and CAP the remainder, so that French company law should be no hindrance to the setting up of the venture on January 1.

Speaking at the announcement of the move in Paris this week,

Alex d'Agapeyeff, head of CAP, drew attention to the fact that although machine costs were coming down sharply, users nevertheless were more interested than before in squeezing out every bit of performance.

This meant they were frequently unhappy with the operating routines makers provided and software houses were getting more and more business in this way. He was particularly interested in skeleton programs which allowed many more users to apply selected processing routines with minimal adjustments.

CAP intended to benefit from the move by many users away from big computers.

At the same time it was seeking to establish a large enough European base to provide the revenue to finance the writing of better software routines, rather than import them from the U.S.

Both Silgos and CAP seem to have written off Government support in either country as a source of new product financing since so much of it still is oriented exclusively to hardware.

### Baby speaks in two languages

BOTH A Cobol compiler and basic interpreter are now available for Honeywell's minicomputer family.

Introduction of the languages represents an increased emphasis on marketing Level 6 in commercial environments. It is another step in a comprehensive software development pro-

gramme for the group of machines.

Level 6 Cobol is upward compatible with Honeywell Series 80 Level 66 Cobol. This provides a facility for applications development for future distributed systems.

The Basic Interpreter operates in an interactive conversational environment in which a user can compose, edit, debug and execute programs, as well as in a non-conversational production mode for programme execution. It provides data file processing facilities and the capability for immediate statement execution for interactive programming and debugging. In addition, Basic data files may be interchanged with Level 6 Fortran programmes. The one-time licence fee is £400 against £2,150 for the Cobol facility.

More from Honeywell on 01-568 9191.

### ● HEATING

#### Oven tests thermal stability

AN AUTOMATIC oven offering high accuracy, consistency and repeatability in the test measurement of thermal stability of plastics, paints, food ingredients and many other products, has been developed by a French company, Metrasat.

Analyses can be carried out by direct comparison of samples or by spectroscopy.

Any predetermined temperature in the range of 50 to 200 deg. C. can be selected. Samples are removed on a motor driven tray at any pre-set time interval from a few minutes up to eight hours.

Electronically regulated, the equipment is stated to be accurate in time measurement to  $\pm 0.5$  seconds over two hours, and in temperature to  $\pm 0.5$  deg. C up to 300 deg. C.

Even temperature distribution through the chrome oven is ensured by stirring with air. For testing in an inert atmosphere, the oven can be sparged with nitrogen or any other gas. This simplifies testing with materials which produce by-products which can catalyse the degradation of samples.

Two stainless steel PTFE coated sample trays are provided: one for sheets or blocks up to 10mm thick by 260mm long, and the other for liquids, powders or pastes.

The oven is marketed in the U.K. by KVL Plastic Equipment and Engineering Services, 62 School Lane, Toft, Cambridge, (0226 3302).

● **ELECTRONICS**

#### PA launches electronics company

INCREASINGLY aware that its public image is derived largely from the frequent appearance of personnel recruitment advertisements in the national Press, PA International, whose electronics consultancy business is expected to become a fifth of the company's total turnover, has started a new company called PA Computers and Telecommunications, or PACTel, and the managing director is Mr. H. H. Hunt who has been with PA for 26 years.

The U.K. company is expected to remain the most significant, but others will soon be formed in Sweden, West Germany and France; there will be representation in Benelux, Spain, Italy, Switzerland and in the U.S.

In their previous guise—the work was largely carried out as "management" services—the PACTel staff of 100 has been involved in some two dozen projects including studies for Philips, I.T.T., IBM, Swiss Banking Corporation, and a number of FTIs, Rutland House, Finsbury Park, London SW7 1BY (01-255 6060).

● **Interprets the signals**

LOW-THRESHOLD integrated circuits that can be used with a variety of transducer interfaces to produce digital outputs that are a function of the parameters being measured have been developed by Hughes Microelectronics.

The transducer chip, DT 031, provides a basis for the production of low-cost systems with a typical accuracy of 1-2 per cent, for incorporation in many industrial and consumer products. Parameters that can be measured

include liquid levels, temperatures, control set-points and DC inputs.

Transducer systems employing the DT 031 do not require either analogue amplifiers or A to D converters, and the chip can be interfaced directly with a computer or microprocessor, or used to drive a digital display.

It is expected that the new system will be particularly valuable in the automotive industry, as the transducer chip will operate in extreme temperature environments and could be mounted next to a car engine or exhaust without losing its performance characteristics.

In a car it could be used to measure vacuum via diaphragm displacement, throttle angle, temperature, oil pressure, mass air flow, exhaust content and so on. This information could, in turn, be fed to a micro-computer and used to make the necessary adjustments to the engine tuning and carburetion so as to get peak engine performance and minimise atmospheric pollution.

Hughes Microelectronics is at Glenrothes, Scotland.

● **MATERIALS**

#### Resin data compiled

TO TAKE full advantage of the stiffening and strengthening potential of carbon fibres and boron fibres in reinforced plastics, new epoxide resins have been developed as matrix materials. While the relationship between resin, fibre and composite properties is not yet fully understood, the designer can be better equipped to achieve optimum composites if the properties of the resin are known.

Strictly comparable properties for 12 of these resins have been established and are available in a new handbook published by Yarsley Testing Laboratories.

The 12 resins have been tested, under Ministry of Defence sponsorship, over a range of temperatures between -40 degrees C and +200 degrees C. Various moduli, strengths, elongations, impact values and Poisson's ratios have been determined, together with room temperature hardness (Barcol), refractive index and density.

The results are given in numerical and graphical form for easy comparison between resins. The handbook, which is priced at £5, is issued in loose-leaf form so that data on additional resins may be added and existing data can be easily modified. Data on vinyl ester resins and engineering thermoplastics will shortly be available and manufacturers may have their own resins included.

Yarsley Testing Laboratories, The Street, Ashted, Surrey (Tel: Ashted 76391).

Find out  
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● **SAFETY**  
**Bright**  
**shines a**  
**warning**

SIEMENS has introduced a new high-intensity flashing light for use in situations where, for example, police cars, fire fighting vehicles, trucks, road works, buoys and WE 15/14.

A complete assembly installation into a beacon, based on a xenon flash tube in a traditional filament lamp.

The use of a much brighter for a much brighter same power requirement, its use allows light output with consumption—about 100 watts for a 1000 watt filament lamp.

The module is operate from a DC supply with a current drain of 2 amperes. The rate is adjustable between 40 and 150 minutes in a nominal consumption at 120 minutes is 15-watt.

The module, tube, is 100 mm. high, wide x 65 mm. high. Siemens, Great Britain, West Midlands, TW8 9 9133.

● **TRANSPORT**  
**Brushless**  
**wash for**  
**vehicles**

MANUFACTURE of less washing mechanical vehicles has been over 20 years by Oldbourne Scientific, London NW9, Green, Knebworth, Herts (0438 812812).

The Trubensis group, the machine, call it differences in vehicle shape, the vehicle is cleaning problems, remains stationary, bearing frame is lowered around it, the under-chassis is worst, a rinse device which the vehicle is washing bay.

The masts for the frame are free-standing, not in use the frame raised sufficiently for the vehicle to be parked, or the other use. Sensor which stops damage should the vehicle as it is lowered.

The spray is produced by brushes to damage rollers or other projections. The system incorporates a 600 litre water tank, 30 hp water pump, to installation size, the pressure vessel for litre pressure vessel chemical solution, and injection system. The circuit powered by a 2 hp pump, and a 260 psi recharging the pressure. The chemicals used are non-acid and non-toxic. The first installation, completed by Yarsley Testing Laboratories, Unigate Dairies, but maker reports more orders.

Jack Warren in to visit

STAND 1800 at the Offshore national Exhibition Birmingham

● **SOLVE INDUST FASTEN PROBLE**

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### And now the card that sets you free!

(It's exclusive to Hewlett-Packard's new HP-67 and HP-97 personal calculators)

It can be used interchangeably in both. It can store data—from 26 storage registers—as well as programs. A breakthrough for battery-powered calculators.

The HP-67 is the pocketable model. And the HP-97, which slips into a briefcase, includes a battery-operated printer to give you time and labour-saving hard copy.

#### Expandable power

The card slips smoothly through an 'intelligent' reader, saving mental effort and program steps. A communicative display makes correct and complete loading of data simplicity itself. Additional cards can be loaded and read under program control, giving a vastly increased range and complexity to possible programs.

#### Easy to use

The 'intelligent' card reader makes programming and data handling easy. Comprehensive editing facilities simplify step-by-step checking, de-bugging and program alterations. And Hewlett-Packard's computer-proven RPN logic and automatic 4-register stack enables you to forget all about hierarchies and parentheses and get on with the job.

#### Making the most of memory

Both HP-67 and HP-97 have built-in memories of 224 program lines. But these are no ordinary lines. Because merged codes enable up to three keystrokes to be stored in a single line. Because constants and data don't have to be incorporated into your program. And because ample user-definable keys, three levels of sub-routines, ten conditional test functions, indirect addressing and other powerful programming features conserve steps and simplify complex problems.

#### Abundant software

Pre-recorded application packs for maths, statistics, electrical and mechanical engineering, business/finance, surveying and nuclear medicine are already available. More are on the way. There's a users' library, too, with a comprehensive program and a regular newsletter.

#### The 'first' family

Of course, both HP-67 and HP-97 are members of the 'first' family. So they come with

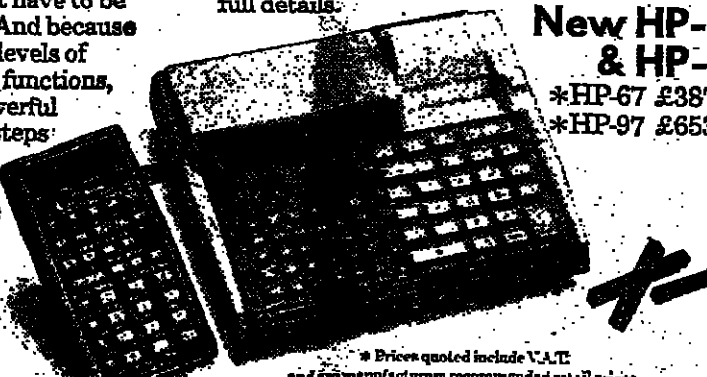
the extensive documentation, the quality in performance and looks that you expect from Hewlett-Packard.

Either will enable you to solve more problems more quickly than you would imagine possible with a personal calculator. Send now for full details.

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1501



# The Marketing Scene

## Showdown for CDP

BY ANTHONY THORNCROFT

LAST night it looked as if SLADE was going ahead with its plan to "black" the print advertisements of agency Collett Dickinson Pearce. Pressure yesterday from the other print unions to remove the threat seems to have failed, and a meeting of SLADE's top officials today is expected to confirm that its members should boycott the black the agency, around 38 per cent of CDP's billings, in effect its Press advertisements, would be affected.

It may take some time for the blacking to be visible in the form of advertisements not appearing, but all of CDP's advertisers have rallied around the agency and decided not to try and place their advertising through other agencies, even though these had agreed to handle the work on behalf of CDP. Also, in the short term, there are no plans to switch advertising to other unaffected media like posters, radio and TV.

Frank Lowe, managing director of the agency (which is a public company) was calling a meeting of the staff last night to explain the situation, and there were plans for another ballot just to check that CDP staff did not want to join SLADE. (The dispute is centred around the union's claim that agency personnel should join up. Last week the staff voted 171 to one against joining SLADE.)

If the dispute continues the many small production houses, who depend on CDP work to survive, will soon face problems, and there are doubts about whether their SLADE employees will follow the union directive and their livelihood is threatened. At the moment CDP seems prepared for a long fight and has no intention of forcing its staff to join SLADE against its will, an attitude which is probably backed by the other unions with their eyes on the agency world's non-unionised work force.

● DESPITE its anti-advertising reputation Marks and Spencer is an increasingly heavy advertiser. On Tuesday it starts a national pre-Christmas television and radio campaign for its Gift vouchers which were introduced in the London and Granada regions last Christmas.

The budget, of approaching £100,000, will be the largest placed by Marks and Spencer for a specific campaign for some years, although it spent much more when opening its new stores in France. The creative work was handled by John Simmons (Creative Consultancy) and Chris Ingram Associates, is planning and buying the media.

● CARL Ally is changing its name on January 1 to PVA, the trading name of J. V. Alder Arthur Fitzgibbon, the four British directors who acquired the shares in the summer. The agency now has billings of £3m, and is moving to a new address in Kendrick Mews, Kensington.

● TWO new accounts for Saatchi and Saatchi are RCA Records, who are launching a big TV record promotion in the New Year, and Schwartz, a specialist in the £10m business which until now has not used advertising. A campaign will start in Granada and then go national with a budget of around £250,000.

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## F.A.Z. ANNOUNCEMENT

For the first time in the history of Frankfurter Allgemeine Zeitung a comprehensive survey on INTERNATIONAL BANKING and related services will be published on 10th. May, 1977

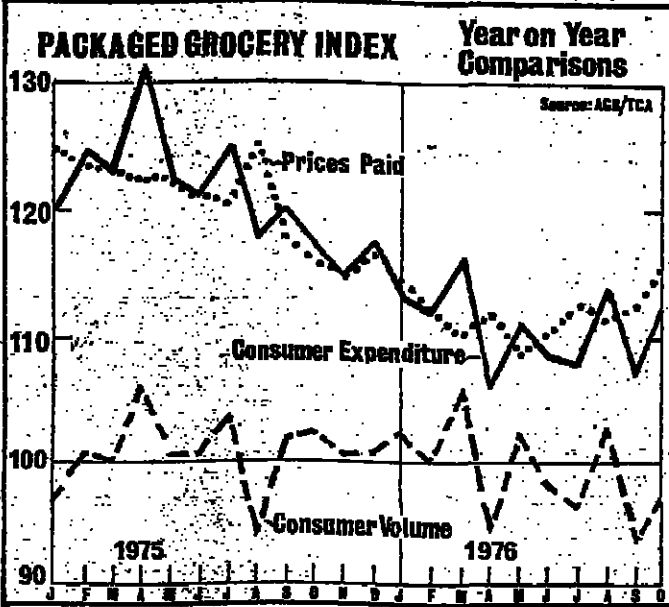
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The quickening pace of inflation is graphically shown in the latest Packaged Grocery Index from ASA. The products included represent a third of grocery turnover and provide a definitive trend. And the trend is gloomy for both manufacturers, retailers and consumers.

Volume purchases from the stores in October, as against October 1975, shows a marked drop, while prices have risen ahead to 13 per cent above a year ago. Prices, in fact, are higher than consumer expenditure, showing that housewives are now finding it hard to switch to cheaper brands, or more economical sizes. In the past packaged goods had fared better against inflation than consumer durables because of the availability of alternatives. Now the options are narrowing.

Of course there are variations between products. Beverages, frozen foods, and, most recently, pet foods, have had to raise their prices most sharply and not surprisingly beverages and pet foods show very big falls in volume. It looks as if the Government's decision to freeze wrapped bread prices has come just in time to level out the consumer's point of view. In October wrapped bread was subject to a year on year nominal inflation of 15 per cent, double that of other in the year.

## Cheerful year for chickens

BY OUR MARKETING EDITOR

ONE group which is very optimistic about its prospects in 1977 is the chicken producers. In the past their enthusiasm has run away with them, leading to chronic over-supply situations, but this year chicken sales will be around 324m, (as against 320m, twenty years ago), and the most cautious forecast for 1977 is 340m. If red meat prices continue to rise at the recent rate chickens could do much, much better.

There will be no shortage of advertising support. The industry is putting £200,000 behind the bird, and with pound-for-pound promotions adding to the total advertising will be around £1m, roughly the same as for meat advertising. Apart from the generic campaign there is brand advertising, most significantly from Buxted, the lead line of Ross-Poultry, the Imperial Group division which dominates in chickens.

Buxted is spending £1m on advertising in 1977 as against £200,000 in 1976. The agency involved is the tiny McGowan Bowler which does not even run an internal creative department, but gives the account the kind of attention it reckons it has not received in bigger agencies. Even the advent of a new marketing director in March, Robin Pooley from the CWS, has not disturbed the link.

Pooley has disturbed lots of other things at Ross, apart from tripling the advertising spend. The biggest change has been in the internal organisation. He has introduced product managers, wedded to marketing titles, back into salesmen, albeit with key accounts. For example, the executive who was responsible for selling Ross turkeys across all outlets might now be selling the entire range of the company's products to a group of major

## Multiple pile-up

AGB is extending its Prices Audit, the survey which shows the price and distribution of products in a wide sample of retail outlets. From March, Bishops, Hillier, Laws, Morris, the LGS, the RACS, and the North East Co-op, all important regional retailers, will be added to the sample, which will

then cover 22 store chains accounting for 73 per cent of packaged grocery turnover.

Since the speedy information on prices in store has been available to retailers and suppliers it has resulted in a tightening up on prices. Many multiple groups were shocked at the variations between their branches, and at the discrepancies between their prices and the competition. It was apparent that the companies that operated a uniform pricing policy, notably Sainsbury and Asda, were the most successful, and their close competitors, such as Tesco, have since reduced the amount of store manager discretion over price.

There may be a fashion element involved here, and the keenness of price competition intensifies next year some system which combines central controls and local flexibility could be the ideal. Already groups like Asda and Tesco are experimenting with telephone recording machines, which enable the central management to reason price changes at very short notice, and better control distribution.

The Prices Audit also quickly shows up the impact of promotions, and enables suppliers to argue about prices and discounts with retailers armed with information about what is actually happening in store. It underlines the growing power of the multiples in a more price conscious environment—this year, for example, the multiples have expanded their share of the packaged goods market from 55.6 per cent to 58 per cent.

The Co-op is shown with about 20 per cent of sales and doing well in certain areas, such as Lancashire, and badly in others, such as Scotland. Sainsbury is credited with 9 per cent of packaged grocery sales. Tesco with 8 per cent, the Asda with 3 per cent, closely followed by Allied International and Fine Fare. Kwiksave seems to be doing well as it extends into the Midlands, which is becoming the most price competitive grocery area in the U.K.

## ASA COMPLAINTS

### Big names rapped

BY PAMELA JUDGE

THE LATEST case report from the Advertising Standards Authority shows that 173 complaints were dealt with during September-October of which 85 referred to mail order fallings. Of the 85 cases that related to copy claims: 53 were upheld either wholly or in part. Holiday travel ads brought the greatest number of complaints—ten—followed by competitions and promotions, and retail stores and outlets, at seven each, motor-photography and alcohol came next with six each.

Five of the cases—ten complaints—concerned Concorde, the verdict going against the ads, in three cases. Air France's reference to "absolute trans-

Dubai "sooner than if they had flown directly by subsonic jet."

Three of British Leyland's roadholding claims for the Princess were challenged. BL argued that it was presenting subjective and reasonable opinions but the ASA felt that people would expect them to be sustainable statements about the actual capacities of the car.

From Florida a man pointed out that while the Sealink (British Railways) advertisement referred to a "48 hour excursion" he had only had 25 hours and 20 minutes in Cherbourg—BR conceded.

Debenhams and its sister store Harvey Nichols agreed that they should not have used "manufacturers' recommended retail prices" in relation to Oriental carpets—MRRP is not an Eastern practice. DuPont Agri-chemicals had to agree that an advertisement in the trade Press could mislead a non-technical reader.

From Brussels and London came two complaints about J. C. McLaughlin's claim that Lowenbrau was "the world's most exclusive and expensive beer"—the complaints were upheld. There are other beers that are more expensive both in the U.K. and Europe.

Five print details in an offer on packs of Procter and Gamble's E3 size Bold detergent packs could have been better expressed, the company agreed. Some highly technical sounding copy in a Suny brochure was not incorporated in the radio receiver as a reader might have thought. This was a misprint and subsequent literature had been corrected.

These are some of the better-known names where complaints were upheld. Among those whose advertising was deemed to be correct were duty free shops at Heathrow and Gatwick; good buys at the airports were advertised as "Up to 50 per cent off High Street prices" and the copy was "merely making a comparison with U.K. retail shops" not those at destination. Imperial Tobacco proved its case that "more people smoke Embassy cigarettes than any other coupon brand," and in ads for Bulmer's Pomarine "there was no attempt to equate the idea of happiness with that of drinking." Lever Brothers can carry on saying "Domestos kills all known germs."

A Methodist minister objected to a Jackpot Spotball ad by Ladbroke (Football) which included Dick Emery dressed as a clergyman and the message "Is it wicked, my brethren? Not if you win a damn great jackpot, it isn't." The complaint was upheld. The ASA took the view that "many people would not know of Dick Emery or that he habitually dressed up as a clergyman" so that people might think it was a Church view of gambling. Some Dick Emery TV shows have been watched by over 13m, people, according to the BBC.

On the other hand, it was reasonable for British Airways to say that Concorde may soon fly to Australia, and BA substantiated the claim that by Concorde it was possible for passengers to arrive in Gulf cities such as

## Brokers compete for fund

THE Thomas Coram Foundation, a charity involved in helping orphans and underprivileged children, has just appointed stockbrokers Hoare Govett to look after its investments, which are valued at something over £1.5m. This is a nice marketing story in that the Foundation saw competitive presentations from three brokers before awarding its business.

The Foundation had been advised by Lazard, the merchant bank, but thought it could do better with a broker now that the City was becoming more marketing minded, and experienced in handling the larger funds. Three companies were asked to compete and were allocated 90 minutes each for their presentations. One contestant did not offer any information about itself before the presentation; one presented a portfolio of another investment fund to show how it operated; but Hoare Govett had put Thomas Coram's investments through the computer and added the team that would handle the business if it won the account.

By going to a broker the Foundation hopes to save a service fee on top of the broker's charges, but does not envisage Hoare Govett making investments around too rapidly. For the brokers there is possible extra income of around £5,000 for the charity a planned 10 per cent gain in income, or about £15,000 a year. For the City generally a peep into a much more competitive future.

## Economic TEST MARKETING

In these times, the value of Westminster Press recognised Test Towns is even more apparent for their low cost measurement of a new product, its packaging and price acceptability.

Many of the biggest companies in Britain use our Test Towns as the "first step" before TV launching.

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TEST TOWNS

## U.S. BRANDS IN LONDON

### Anyone for Hereford Cows

BY ANTHONY THORNCROFT

IF YOU want a product that will instantly fade your new jeans; or you fancy getting drunk on Hereford Cows, a vanilla flavoured concoction which is 30 per cent proof spirit; or are out of Smoke Shaker, which gives off the smell of an authentic charcoal barbecue even though the steaks are being grilled under gas; or fancy yoghurt mayonnaise, or some crumpled bacon pieces—and if

and Johnson, by extending the uses of its soda. It is promoting Japanese noodles—all the rage in California. The American New Products Supermarket approached a hundred companies when it began business in November and received a favourable response from 87. Eight are already clients, with another eight likely to join. As well as the £1,000 annual subscription, which en-



Art McCormack and Ron Palmer in the supermarket.

you also can make a down payment of £1,000, then the American New Products Supermarket is the place for you.

The Supermarket has just opened in Covent Garden, where all the new advertising and marketing companies start these days. It is run by two Americans, Art McCormack and Ron Palmer, who have deserted the London agency scene to establish a clearing house for the latest American new product ideas.

British marketing companies have always looked to the U.S. for fresh brands, and there are organisations that will keep you informed of all the new products tested in the States. Nielsen goes one further and actually brings over samples for interested clients. But the Supermarket reckons it offers a cheaper, quicker, and more detailed service.

It imports 60 to 100 new products a month as well as innovative advertising campaigns, but its role is not purely passive. Although it concentrates on the markets where it has clients it also points them towards the fastest developing trends in American marketing, and also lays on, at a price, a full investigation of demanded markets.

At the moment the Supermarket is interested in bicarbonate of soda. Arm and Hammer was for generations the leading baking powder in the U.S., but it is enjoying a new lease of life, an attracting competition from companies like Johnson

seem overdone in the U.K.—the titles a company to as many anti-aerosol bandwagon, which is visits as it wants to pick up creating products like Safe Day, ideas, there are extra services Safe Day, and Bam, all old at extra cost. American products do not have a market, like the fruit wines, do velleous success rate in the U.K. not seem to have much future —skillet foods is the latest over here, but British companies costly failure—but failures there could hardly ignore the impact of powdered soft drinks (where the mind to new ideas can hardly even Coca-Cola is testing a line), be a disadvantage.

## But Lever's turns a failure into a Profitable Shield

ONE product initially developed in the U.S. which had to come to the U.K. to be perfected and successfully launched was Shield, which is proving Lever's most sure any small gain in volume promising new brand in years. sales is vital. Its approach is to In April, its first month of national distribution, it captured an astonishing 17.5 per cent of the £68m. soap market. In theme and added freshness.

The company's current policy on new products is to test more thoroughly with consumers before putting them on the market. Once a brand does appear in a region it is almost certain to roll out nationally. When a brand is launched it can expect a long career. Lever's other great success story, Persil, and its off-spring Persil Automatic, now hold 30 per cent of the £140m. washing powder market, a handsome way to enter its 70th year as a brand name.

# SAY!

When you have something to say to the Germans with most say, say it in Der Spiegel.

Der Spiegel, Germany's only and Europe's largest news-magazine, sells 900,000 copies per issue and is read every week by 3 million men and 2 million women at the top end of the market.

And these are the Germans with the most say, 75% of business and administration decision-makers read DER SPIEGEL, and 38.4% of all these decision-makers are reached with an average issue. No other newspaper or magazine in Germany matches this coverage, not even with 12 issues. There is one exception: a monthly which gets there with nine issues, but takes nine months to do so.

There is no way you can reach more Germans with most say for less money. So, if you have something to say to the people with the most say, say it through Der Spiegel—fast and economically.

For further details ring Barbara Scott of IGP (Der Spiegel's United Kingdom representatives), Danes Inn House, 263 Strand, London, WC2—Tel. 01-405 8088/4534.

"She will also send you samples of successful advertisements in Der Spiegel—with comments from a highly qualified source, namely the advertisers themselves."

Source for all statistics: IAE 75, an analysis for 13 selected publications, and MA 75, Germany's only annual syndicated national readership survey.



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## The need for real cuts

IT SEEMS possible that a dangerous ambiguity has crept into the Cabinet's discussions of economic strategy. Ministers have been struggling to reach what they regard as a tolerable compromise between the demand of realistic adjustment and their reluctance to deflate the economy any further at this moment. It seems that fear of the Treasury's initial asking bid created such consternation that a number of Ministers usually regarded as "moderates" joined their colleagues in asking for less.

The present indications are that this debate has succeeded in shifting discussion from various larger figures towards a not spending cut of the order of the £1.1bn. which we put forward as a minimum requirement on Monday. Genuine cuts of this order do seem to be regarded as just about acceptable both in the financial community and by our international creditors, especially if they are seen as the first step in the longer process of adjustment which the Chancellor has described.

### Real problem

However, the markets are now deeply perturbed by persistent rumours that the cuts might be substantially smaller or might not be genuine at all. It is thought that the Government may be seeking ways, ranging from cuts in financial transfers to the usual round of increased charges and reduced investments programmes to avoid taking any steps to attack the real problem—the level of current spending in the public sector. Such evasions would produce a swift and crushing verdict in the financial markets, and that verdict would be fully justified.

There are three levels of misunderstanding. First, a cut of the order of £1.1bn. in current spending would not in any sense be a massive deflation even if there were no offsetting factors. It is, on the other hand, a highly necessary first step towards a credible strategy for recovery. As we pointed out when the last expenditure White Paper appeared in February, the improvement in private consumption then envisaged was simply incompatible with the growth of output required, both in terms of income

## A new leader for Mexico

THE ACCESSION of Sr. José López Portillo to the presidency of Mexico yesterday could bring about a badly needed surge of confidence in the country. Sr. López Portillo takes over from President Luis Echeverría whose highly erratic career and increasingly unpredictable activities endeared him to few Mexicans.

Coming to the presidency six years ago with the reputation as a hardliner, not afraid to shoot his bolt in order to curb student demonstrations on the eve of the 1968 Olympic Games, President Echeverría was never able to decide whether he was a liberal or a conservative. He eluded his indecision with a great deal of oratory on international forums and a fair dose of rhetoric for his domestic audiences.

### Accomplish more

His record over the past few months was a fair sample of the 20-20 course he had been pursuing for some years. Having silenced the moderate Left with a takeover of Excehior, Mexico City's leading daily newspaper, which was often critical of his actions, he lavished out against the Right last month with a totally unexpected move to promote landlords in the north of the country and settle peasants on their estates. In the financial sphere he bowed to the inevitable by allowing a big devaluation of the peso, but was unable to prevent the outflow of large amounts of capital from Mexico. He has now announced his candidacy for the post of Secretary-General of the U.N. It is unlikely to prosper.

Sr. López Portillo, in the period since his selection as Presidential candidate by the PRI, the Institutional Revolutionary Party which has dominated Mexican politics for decades, has eschewed President Echeverría's rhetoric and given the impression of wanting to take less and accomplish more.

He has realistic plans and the ability and determination to carry them out. If he succeeds in that, he should not lack support.

At home the discovery of very big new oil deposits could enable Mexico to become a major oil exporter and could transform the balance of payments. The devaluation of the peso has more over made Mexico a cheap place for holidays and if U.S. tourists are certain that there is stability in the country under the new president they should begin to flock over the northern border in large numbers. In the next few months President López Portillo's main task will be to convince his countrymen that he has realistic plans and the ability and determination to carry them out. If he succeeds in that, he should not lack support.

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# The figures politicians will not swallow

BY JOE ROGALY

THE perversity of Sir Claus Moser knows no bounds. He will insist on publishing hard, relentless, statistics that make nonsense of what politicians, civil servants, and too many of the rest of us have to say. It may be protested that that is after all his job as head of the Government Statistical Service—but need he do it quite so blatantly? It is reported, almost reliably, that the very fiercest stares by a number of past Prime Ministers have failed to deter him, even when it was quite clear that his little rows of numbers and his graphs and charts were a distinct embarrassment. To-day Sir Claus does it again.

With no apparent shame at all he has issued the seventh edition of the annual *Social Trends*. You will find what I mean by letting it fall open on, say, page 118. It shows there that in 1966-67 a "full time male manual worker aged 21 or over," or working man, on median—about the middle—earnings would have paid 6.6 per cent of his income in direct tax, net of family allowances. The average chap in this table has a wife and two small children aged under 11. As he would be quick to sell you, a man in the same position last year paid out nearly 20 per cent of the contents of his wage packet. This rate of growth is much greater than the growth in taxation suffered by a man on twice the median income: from 19 per cent in 1966-67 to 27.6 per cent. 10 years later.

The essence of this story has, of course, been known for some time. What is exposed to-day is the essential woolly-headedness of those who justify this increase in taxation by prating on about how much the ordinary people of this country benefit from the Government services that are provided. The tables on pages 113 to 115 do most of the demolition work. The staff of *Social Trends* have added to income tax all indirect taxes that affect consumer prices and put the sum one one side of the scale. On the other side they put cash benefits, subsidies, and benefits in kind like education, the health service, and welfare foods. As one might hope, the result indicates that the elderly and the very poor with large families usually get more out of the system than they put in, and rightly so.

What is not so obvious to all our politicians is that just about everyone else—including the average working man—comes out worse off, and in a large proportion of cases considerably worse off. Those who speak, as Mrs. Barbara Castle once did, of the "social wage" or the "second wage" are presumably blind to the figures that come out in such volumes from Great George Street.

Such people, and the main beneficiaries of all this spending like the members of NUPE and NALGO, might mutter about the improved quality of services, or the value of the services not included in the social wage equation. I would direct their attention first to table 4.7 (reproduced on this page) which shows the growth in public sector and particularly local authority employment since 1961 and the concomitant fall in private sector employment, and second to chart 5.2 which shows the pathetic course of the trend-line for real personal disposable income per head (leading to a fall in 1975).

If this were not enough to convince them, they could try the article on pages 47 to 60, which is all about answers to questions on what people feel about the quality of life. This should not be taken as serious evidence of anything—since soft social surveys of this kind have no proven value—but people whose minds are anyway in a fog might be impressed by it.

City centres revitalised

As well as rating the "Quality of Life" in Britain now, respondents also gave ratings for "Quality of Life" five years ago. "Quality of Life" in five years' time, and what people thought they deserved. "The general picture is of a country sliding rapidly down from 8.0 five years ago, through 7.2 now, to 6.0 in five years' time." For what it is worth, even the 5.2 per cent population

most people have in fact not benefited.

This applies to most areas of spending, including the higher proportion of money that the Government appears to be directing towards city centres. The myth is that if only the cash was poured in, the city centres would be revitalised, with a consequent resurgence of urban life and greater happiness for all. The fact



## ECONOMIC VIEWPOINT

BY SAMUEL BRITTON

## An open letter to Professor Friedman

"Open Letters" are a form of journalism I usually avoid. But it happens to be the most convenient way I can express certain misgivings about some of your recent writing about the United Kingdom. My main worry, is that the many and important truths you have taught over so distinguished a career will come under a cloud because of the other things you are saying which represent personal hunches, individual value judgments or exaggerations.

You may not be interested in winning the approval of the mealy-mouthed and, I am sure, ignorant commentators who label you a reactionary, extreme right wing, or whatever. But more than that, presentation is at stake. It would surprise me if you thought that all your views formed a bundle to be accepted or rejected as a whole. Consider for instance the following sentiments:

"In his admirable book on *The Scope and Method of Political Economy* John Neville Keynes distinguishes among 'a positive science... a body of systematised knowledge concerning what is; a normative or regulative science... a body of systematised knowledge discussing criteria of what ought to be... a system of rules for the attainment of a given end'; comments that 'confusion between them is common and has been the source of many mischievous errors'; and urges the importance of 'recognising a distinct positive science of political economy'.

"Confusion between positive and normative economics is to some extent inevitable. The subject matter of economics is regarded by almost everyone as vitally important to himself and within the range of his own ex-

perience and competence; it is the source of continuous and extensive controversy and the occasion for frequent legislation. Self-proclaimed 'experts' speak with many voices and can hardly all be regarded as disinterested; in any event, on questions that matter so much, 'expert' opinion could hardly be accepted solely on faith even if the 'experts' were nearly unanimous and clearly disinterested."

You will almost certainly agree with the above couple of paragraphs. Indeed, you wrote them. They formed part of the first chapter of *Essays in Positive Economics*, which you presented to me during our first tutorial (in Cambridge, England) at the risk of giving an undergraduate the impression as a free book, was such a thing.

One of the first things, of which you deprived me in those days, was the balance of payments problem. This was rather important to me. My instincts were strongly anti-Conservative in most non-economic matters, but in most non-economic matters, Labour economic statements with the 'elementary supply-and-demand' economics of an textbook. (For instance, Harold Wilson on 'inflation' is a better guide to the thrust of policy than interest rates, especially in an inflationary era, and (b) in showing that the money supply rather than the balance of the Budget is crucial in determining output and employment in the longer run.

Why then do you have to quote with approval in your BBC interview, reproduced in *The Listener* of November 18, Mr. Callaghan's words (your

paraphrase) "that what the experience of the past 20 years has shown is that further Government spending leads to further inflation, which simply leads to further unemployment?" If Mr. Callaghan believes and understands his own speech, why is he orchestrating a Cabinet revolt against the Treasury on spending cuts?

Opinion formers in this country—in respectable City circles as much as on the Left—have still to appreciate the bogus nature of the payments problem. Like many other British economic commentators I misused the floating rate argument to support the case for expansionist demand policies. I should have taken more note of your warning expressed all those years ago about the end results of pursuing "advanced" fiscal and monetary policies. But it was not until the 1976 Presidential Address to the American Economic Association that I saw clearly why post-war full employment policies were conceived and likely to lead to ever increasing inflation.

Your demonstration of the fallacies of fine tuning (better called discretionary demand management) presented fewer problems for me. It reinforced my suspicion that there was too much respect for authority in this country rather than too little. But your greatest impact on financial opinion here has probably been (a) in demonstrating that the money supply is a better guide to the thrust of policy than interest rates, especially in an inflationary era, and (b) in showing that the money supply rather than the balance of the Budget is crucial in determining output and employment in the longer run.

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## England's oil

From Mr. J. Salter.

Sir—Before the debate on Scottish devolution (independence) gets out of hand, could someone resolve the obvious issue raised in your correspondence column by Mr. Frank Hanford-Miller (October 24, 1976) regarding the location of the demarcation line between the English and the Scottish oil zones in the event of a break-up of the U.K.?

If he was correct in his contention that "internationally accepted procedure would result in the demarcation line lying along the seaward projection of the land frontier between the two countries on a bearing of 035 degrees, thus placing firmly in the English zone such rich oil fields as the Forties, Montrose, Argyll, yuk etc., should not this fact be given wide publicity?"

Demand for Scottish independence has been a long time coming when it seemed that spels were up for grabs. The realisation that the share available to an independent Scotland would in fact be relatively meagre would have a significant effect on Scottish opinion as the debate on devolution and/or independence proceeds.

J. P. Salter,  
80, Foreland Road,  
Bembridge, Isle of Wight.

## Council housing costs

From Mr. M. Campbell Jones.

Sir—Mr. Musgrave (Letters, November 26) suggests that debt interest on council housing accounts is more than covered by the inflation of the value of the underlying assets, that is the houses themselves. This might be true if the houses were to be sold at the free market price. In due course, or if rents increased in direct proportion to the assumed increase in value.

If Mr. Musgrave believes that either is politically possible—although I assume he thinks it desirable—then he will believe anything. Meanwhile, the money has been borrowed and must be repaid. The only way to accept real money in payment of the interest charge, or to allow them part-ownership of the housing estates in lieu?

M. Campbell Jones,  
Pewsey, South Gloucestershire.

## Company cars

From Mr. N. Paines.

Sir—I was interested to read the letter from Mr. J. M. Tennent (November 30) which suggested that company directors have underestimated the cost of providing company cars as a perk for middle managers. This may be true, but so it only proves that some company directors are unaware of the effects of inflation.

The fundamental issue is surely that in these times of wage restraint and gripping personal taxation it has become increasingly difficult to keep middle managers and to compensate them adequately for the services they perform.

If, as Mr. Tennent gloomily maintains, it costs £1,435 (excluding petrol) to run a two-litre car for a year, consider for a moment the value of the perk in the hands of the employee. If he has a reasonable amount of business, his car will be used under the new tax rules will be a fixed £250. Assuming that his income is hovering on the bottom of the higher rate income tax, he will pay tax at 40 per cent. on this extra £250. The net value of a car of only £250 alternative sup-

## Letters to the Editor

company car to him is thus £1,435 less the tax of £140, or £1,295.

To the company the gross cost of employing the manager is the net cost of the car plus the tax to provide him with a car after tax increase of £1,295. It would have to increase his gross salary by approximately £2,400 to allow for the higher rates of tax, and it would also have to suffer increased employment taxes and company pension contributions on that sum.

Clearly then it is much better to provide a company car as part of an emoluments package than to attempt to satisfy the manager by salary alone. Any employee who has done his sums will recognise that the value to him of a company car is far in excess of any increase in salary which most employers would give him.

This fundamental difference between the "cost to the company" and the "value to the employee" is the reason why progressive companies are increasingly offering company cars as a perk. If a company wishes to recruit and adequately compensate high calibre managers the company car is an invaluable carrot, and will doubtless remain so as long as a body of companies holds less enlightened views. Yes, it is expensive, but who was it who said that "all overheads walk in on two legs"? More overheads seem to be driving these days so perhaps Mr. Tennent would prefer to dispense with managers altogether.

N. G. Paines,  
28, Parnet Avenue,  
Purley, Surrey.

## Demand must be raised

From Mr. H. Dalby.

Sir—The CBI recommends cutting public expenditure and increasing incentives by cutting taxes. This, it says, would increase business confidence. Business confidence arises when the businessman finds himself selling his goods quickly and easily, and if demand begins to outstrip supply he invests in more machinery.

To cut public expenditure is to put people out of work and thus reduce their demand for goods by reducing their income. To cut taxes is to put more money into the hands of the class of people who are already putting their money into gift edged and are likely to save even more should their income be increased by tax cuts. Thus total demand is reduced, and far from encouraging businessmen to produce more, will cause them to retrench even further.

If the CBI wishes to increase businessmen's confidence it must increase demand by increasing the incomes of those now having a struggle to pay their mortgages etc. and have no surpluses to save.

H. Dalby,  
17, Newstead Road,  
Middlesbrough, Cleveland.

## Controls on imports

From Mr. N. Billich.

Sir—Mr. R. Parker's assumption (November 27) are no more than assumptions. That is, they are tailored to suit his conclusions. Suppose we begin with his conclusions and work backwards. If we had "more efficient utilisation of resources" and "lower unit costs" more U.K. manufactured goods might be sold. The cry for import controls is based on the demand that inefficient utilisation and higher unit costs must be allowed to prevail. In which respect both of us are likely to be torpedoed by the experts.

It seems to me that the "fac-

plies are kept out of reach of ordinary price" for one item cannot possibly be the same as for a thousand delivered in bulk to one customer, so that a factor of restriction has been brought about a reduction in prices to the consumer? Having robbed Peter, Paul is hardly likely to give up his gratuitous windfall! That, Mr. Parker, is what protection is all about.

N. A. Billich,  
6, Rushmore Road,  
Furney, S.W.15.

## A change of job

From Mr. F. Lucas.

Sir—Mr. Britton (November 25) leaves me with the impression that he sees the English entrepreneur as someone sulking in his £80,000 yacht because he cannot get an income tax rebate.

Recently, I was in a corridor of a local Town Hall, when I noticed in a large public room a solitary figure which I recognised as my barber. Intrigued, I asked him why he came to change to his job. His answer is tabulated as follows.

Barber  
Pay £40 p.w.  
Hours 12 per day fixed  
Every Sat.  
Sat. at work  
P.H.  
H'day  
Sick  
Pension  
Work as usual  
Inflation proof  
Heavy  
Nature of work  
Skill at cutting hair

Official  
£65 p.w.  
71 per day variable  
5 day week  
Qtr. hr. work. 11 actual  
P.H. and four weeks  
6 months full pay  
Inflation proof  
I was talking to him for 20 minutes and no other person came into the room  
Working an intricate electric calculating and printing machine with one finger.

I wish I had such a car to-day. If my memory serves me right it cost less than £250!

Robert Cutler,  
19, Woodlands Road,  
Surrey.

## Political cycle

From Mr. A. Clements.

Sir—Your headline, "State intervention on answer to economic problems" for Professor Ball's speech (November 26) at the Institute of Bankers Ernest Sykes Memorial Lecture bore a striking similarity to the views of Lord Macaulay (b.1800-d.1859) that one wonders once again if times are changing equate with progress.

The principal of the London Graduate School of Business Studies said that the main thrust of Government actions and policies should be in the direction of creating an economic and social framework within which the creative abilities of our citizens can be released. Is that far removed from Thomas Babington Macaulay who said, "Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property and by observing strict economy in every department of state. Let the Government do this—the people will assuredly do the rest."

One of your Charities readers could confirm that there is a longer cycle than the market one of five years... an historical and political one of say, 150 years?

A. J. Clements,  
Branch manager,  
Trustee Savings Bank,  
46, High Street, Gosham,  
Portsmouth, Hampshire.

## Factory pricing

From Mr. R. Cutler.

Sir—I feel Mr. Garrigan's letter on factory pricing (November 27) is open to argument, particularly as he describes himself as a "layman" like myself.

In which respect both of us are likely to be torpedoed by the experts.

It seems to me that the "fac-

GENERAL  
Cabinet continues discussion of terms for loan by International Monetary Fund.

Treasury issues figures of U.K. official reserves for November.

Polling day in Cambridge by-election (result expected between midnight and 1 a.m.).

Mr. Anthony Crosland, Foreign Secretary, is guest of honour at Hispanic and Lusio Brazilian Council dinner for Latin American Ambassadors to U.K., Hyde Park Hotel, S.W.1.

Lord Watkinson, CBI president, speaks at CBI Wales annual dinner.

President of EEC Commission ends two-day visit to Yugoslavia. Engine tuners at Leyland's

Cowley plant decide whether to continue their strike.

CBI Committee on State Intervention in Private Industry meets. Museum of London opens.

London Wall, E.C.2.

Sir Robin Gillett, Lord Mayor of London, attends Makers of Playing Cards Company dinner, Mansion House.

Banking and Finance Study Group, O.R. Society, Mr. David Gardiner, group planner, speaks on "The Management of Finance in Associated Societies," International Bank Research Organisation, Moor House, London Wall, E.C.2.

4.30 p.m.

## To-day's Events

"Conservationist of the Year"

awards, World Trade Centre, E.I. Grosvenor House, W.1 (ending December 3).

Korean Products Show opens, Grosvenor House, W.1 (ending December 3).

Commonwealth Science Council meeting continues, Colombo. Council of Copper Exporting Countries meeting continues, Santiago.

PARLIAMENTARY BUSINESS  
House of Commons: Social Security (Miscellaneous Provisions) Bill, second reading.

House of Lords: Consideration of Farm Amalgamation and Farm Structure Schemes. Debates on European Export Bank; on

measuring liquids other than water; and on firearms fees.

OFFICIAL STATISTICS  
Capital issues and redemptions during November.

COMPANY RESULTS  
Bass Charrington (full year), British Petroleum (3rd qtr.), Coaltite and Chemical Products (half-year), Lonrho (full year), Mitchell Cotts Group (full year), National and Commercial Banking Group (full year), Rael Electronics (half-year), Whessoe (full year).

COMPANY MEETINGS  
Amalgamated Tin Mines of Nigeria, 55-61, Moorgate, E.C. 12, Boulton (William), Stoke-on-Trent, 12, Burnside Investments, Edinburgh, 3.

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# Transvaal Consolidated Land and Exploration Company, Limited

(Incorporated in the Republic of South Africa)

The following is from the statement by the Chairman, Mr. A. C. Petersen, for the year ended 30th September, 1976.

As can be seen from the following summary of the year's results, the Group has continued to expand its total operations and increase its profits.

	1976	1975
Consolidated profit before taxation	R26 968 000	R15 102 000
Taxation	R10 212 000	R 3 543 000
normal	R 2 817 000	R 885 000
deferred	R 7 395 000	R 2 658 000
Outside share-holders' interests after taxation	R 3 370 000	R 1 576 000
Consolidated profit after taxation and outside share-holders' interests	R12 386 000	R 9 553 000
Earnings per share	153.2 cents	136.7 cents
Investment realisation per share, after tax	2.9 cents	9.7 cents
Dividends per share	75 cents	65 cents
Dividend cover	2.44	2.1

However, the past year has seen considerable changes in the pattern of the Group's activities particularly in the contributions from the various operations. The coal and chrome operations are beginning to justify the expenditure on their expansion which was initiated some years ago, while the dividends from gold and platinum mining companies fell dramatically with the fall in the price of gold and general weakness in the platinum market. The profit from investment realisation dropped sharply, due to limited dealings and the depressed state of the stock market. Overall, the consolidated profit before taxation rose by 78.8% and after taxation and interests of outside shareholders by 34%. Because of the high capital expenditure in the coal and chrome mining subsidiaries the bulk of taxation is the provision for deferred tax and as such is available for financing of the Group's activities.

The change in the net attributable earnings of the various activities between 1975 and 1976 is as follows:

	1976	per cent	1975	per cent
Dividends from gold mining	2 015 000	15.05	4 751 000	47.50
Dividends from platinum mining	585 000	4.37	993 000	9.95
Royalties from mineral tributes, after tax	1 277 000	10.24	728 000	7.29
Investment realisation, after tax	212 000	1.58	709 000	7.10
Exploration expenses, less sundry income	(244 000)	(2.58)	(882 000)	(8.84)
Earnings from collieries	7 318 000	54.67	2 710 000	27.15
Earnings from chrome mines	1 359 000	13.82	571 000	5.72
Earnings from timber	383 000	2.85	403 000	4.04
	R12 386 000	100.00	R9 553 000	100.00

The major portion of the increase in earnings from the collieries flowed from the continuing stream of the low ash coal plant at Van Dyks Drift and the subsequent export of this coal to Japan and of the associated middlings to Europe through Richards Bay. These earnings have brought in valuable foreign exchange to South Africa during the year, and the stream has been running since 1973, with the exception of the full year 1975-1976.

A significant increase in the controlled price of coal was achieved by the Colliery Company in July 1976, the effects of which will be more fully reflected in the results of our subsidiaries coal companies for the year to September 1977. However, I consider that the main advantage gained by the coal industry was the recognition by the State that by introducing a more realistic coal price, the collieries would have access to a market back into the economy of production for the inland market. Under the recent increase, the price received for coal on the inland market was not sufficient to justify any investment in further production for this market.

The collieries in the Group are busy expanding that section of their operations concerned with the inland market and in addition, Witbank Colliery Limited is going ahead with work on the giant Duvha Colliery which will supply the Durban power station. Planning of this surface strip mine is well advanced for the initial supply of 1.5 million tons of coal per annum towards the end of 1979, ultimately increasing to 9.4 million tons per annum.

Of equal magnitude will be T.C.L.'s development of the Rietvlei Colliery. This is the joint venture with Shell for the mining of approximately 100 million tons of coal for export over the next 20 years. This colliery is also due to come on stream in 1979 but, unlike Duvha, will move into production at the rate of 3 million tons per annum almost immediately and build up to 5 million tons or more per annum as soon as additional transport facilities are available.

## Chrome

Despite the slow recovery overseas, the market for chrome ore remained satisfactory during the past year and demand is showing further improvement at the present time. The growth in the rate of exports will depend upon a sustained rate of recovery in Europe, Japan and the United States. In addition, the local demand for chrome ore has also improved during the year and subject to unforeseen circumstances this should expand even further in the year ahead.

The programme of expansion in this field will continue during the next few years in anticipation of growing internal and export requirements. Large capital sums will be spent in increasing production at all three mines, namely Witbank (T.C.L.) Chrome Mines Limited in the Department of Energy and Minerals, Duvha (P.T.C.) Chrome Mines and Henry Gould (P.T.C.) Limited in the Rustenburg area, and it is anticipated that the total production of these three mines will be raised to nearly 2 million tons per annum by 1980.

## Gold and uranium

The serious drop in dividends received from gold mining investments is shown in the tabulation. The costs of production continue to rise and, perhaps more than any other sector of the economy, the gold mining industry's health will be determined by the effectiveness or otherwise of the anti-inflation measures being adopted in the country at the present time.

The company's main gold and uranium mining investment is in Harmony Gold Mining Company Limited which is involved in a major expansion. Its revenues were badly affected by the drop in the price of gold and its directors considered it necessary to pass the final dividend for the year ending June 1976. However, it is hoped that when the major portion of its capital programme has been completed, Harmony's potential as a large, although low grade, gold and uranium producer will enable it to resume dividend payments. It is obvious that the future price

The eighty-first Annual General Meeting of Transvaal Consolidated Land and Exploration Company, Limited will be held in Johannesburg on 20th January 1977. Copies of the Annual Financial Statements can be obtained from the Office of the London Secretaries, Charter Consolidated Limited, 40 Holborn Viaduct, EC1P 1AJ and the Share Transfer Office of the London Secretaries at P.O. Box 702, Charter House, Park Street, Ashford, Kent TN24 8BQ.

## MINING NEWS

# Australian unions may lift uranium ban

BY PAUL CHEESERIGHT

RELAXING THEIR consistent opposition to uranium mining and exporting, 18 key trade unions in Australia are recommending to the Australian Council of Trade Unions that existing contracts for the supply of uranium oxide to overseas buyers should be honoured.

The decision was taken at a special conference in Sydney and would bring trade union policy into line with the stand adopted by the Australian Labor Party last week.

Last month unions embracing the metalworkers, builders, miners and railwaymen countered a Commonwealth Government decision to lift a 1972 embargo on contracted exports with a call for a continued ban not only on exports but also on uranium mining.

The contracts affected by the change in attitude involve the delivery of 11,700 tonnes of uranium oxide to customers in Japan, the U.S. and West Germany by 1986. With only one mine currently in operation, the Rio Tinto-Zinc group's Mary Kathleen, most early deliveries would have to be met from the Government stockpile.

Hitherto Mary Kathleen has in any case been prevented from doing more than mine for stockpile.

The union's ban on uranium mining and exports has been based on environmental and political grounds. It was partly as a counter to this that the Commonwealth Government established the Fox Commission to examine the environmental effects of uranium mining and delayed any major decision on uranium policy until the Commission made its recommendations.

In October the first of two Fox reports gave qualified general approval to uranium mining but postponed judgment on specific projects until its second report, expected early next year, has been made.

Production should be back close to pre-strike levels by the end of the year.

Mining and concentrating operations are to be resumed by Kennecott Copper at its Nevada mines division. About 600 out of 900 employees laid off will be called back to work. Kennecott's decision comes after the company was granted a court injunction against the Environmental Protection Agency, which had wished to enforce certain regulations on smelter operations.

Mr. Murdoch has indicated that there could be an announcement before Christmas on the go-ahead for the project, our correspondent adds. The project could start with an annual production of 1m tonnes of alumina and quickly double this capacity.

Our Perth correspondent reports that two main lines of development are under consideration. Either Alcoa of Australia becomes the main participant or Alcan, the Canadian group, dominates the consortium. The Assaruta affiliate, Revere Copper and Brass, has in the past been mentioned as a possible partner.

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## APPOINTMENTS

# Chrysler posts in Europe

CHRYSLER INTERNATIONAL Company, has been appointed as executive director, sales and marketing, Europe, responsible for directing passenger car sales and marketing. He continues as director, sales and marketing, for Chrysler United Kingdom. Mr. T. A. Coupe, executive director, sales and marketing, for Chrysler International Distributor-Operations has been assigned additional duties to assist in the development and restructuring of sales and marketing for passenger cars and commercial vehicles. Both will report to Mr. Donald Lander, vice-president, Europe.

Mr. Georges Roy has been made deputy managing director of Chrysler France and retains his responsibilities as director, sales and marketing, of that concern.

Mr. Michael J. Scott is resigning as a non-executive director of LETRASET INTERNATIONAL to take up an appointment with MANPOWER as general manager, finance and administration.

Mr. J. T. More, manager, personal financial services of the BANK OF SCOTLAND, has been appointed assistant general manager (personal financial services).

Mr. David Simmonds has been appointed director, U.K. marketing, of SEARLE MANUFACTURING COMPANY (Prestold Group).

United City Merchants states that Sir Robin Brook has been appointed a director of C. E. COATES AND CO., the merchant bank which recently became a subsidiary and now forms part of the UCM group's banking division. Sir Robin is vice-chairman of UCM.

Miss Dorothy N. Barrett has been appointed a part-time member of the Board of BRITISH AIRWAYS from January 1, 1977, until December 31, 1979. Miss Barrett is a director of John Lewis Partnership and chief registrar.

Mr. Peter May has been appointed a director of WILLIS FABER AND DUMAS.

Mr. C. G. H. Simon has resigned as a director of SIMON ENGINEERING on reaching retirement age.

Mr. Geoffrey Murray has resigned as a director of DOULTON AND CO to take up a new appointment.

Mr. Ronald E. Dunn has been named president and chief operating officer of COMMERCIAL CREDIT EUROPE, INC., a subsidiary of Commercial Credit Company of the U.S. He will be based in London.

Mr. George Vukotic has joined the Board of WILLIAM REED AND SONS with special responsibility for the development of its U.K. activities. He will operate from Paris.

Following the appointment of Mr. Colin Lyle as vice-chairman of Tate and Lyle's new subsidiary, Nabore and Garton, he will be relinquishing his position as chairman of TUNNEL REFINERIES. He will be succeeded as chairman of Tunnel by Earl Jellicoe, who is a non-executive director of Tate and Lyle.

Mr. J. P. Fortuin, general manager of the Polymers Division of Shell International Chemical, has been appointed.

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## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Further growth in profits at BMW

BY ADRIAN DICKS

BONN, Dec. 1

BAYERISCHE Motoren Werke, the Munich-based motor manufacturer, expects even better profits for 1976 than it earned during the "outstanding" year 1975, the company's chairman, Herr Eberhard von Kuenheim, said today. But he added that it would be premature to make



Eberhard von Kuenheim

a final dividend forecast—not because there was any doubt about net earnings, but because of lingering uncertainties over the possible effects of new tax regulations.

At the same time, the BMW chairman said he would not rule out a dividend increase for 1975. BMW raised its dividend to DM5 per share from DM4.75 in 1974, taking dividends back to the same level as in the last pre-recession year of 1973.

The 1976 figures show an increase in BMW's turnover of over

30 per cent, with an increase in the labour force of only 4 per cent. Herr von Kuenheim also said. Although this would indicate a slowing down from the rate of growth of turnover during the first six months—just over 35 per cent—it nonetheless indicates that the company has continued to out-perform most of the rest of the West German motor industry.

The BMW chief repeated the view he has been expressing for several months, that the company should not expect this very rapid rate of growth experienced during the past two years necessarily to continue in 1977. He pointed out that present limits on capacity would alone make it hard to maintain such a record. Referring to BMW's plans for the future, Herr von Kuenheim said a range of different possibilities was "on the boil". He appeared to rule out any manufacturing operation in the U.S., but left the impression that the company might consider an operation in the Far East. In the meantime, BMW's assembly plant in South Africa had stepped up production this year to 7,000 vehicles from the 2,000 a year in 1974 when the facility was opened.

## N. Telecom deal

NORTHERN Telecom, the U.S. arm of Canada's Northern Telecom Limited, plans to buy the stock of Telecommunications Systems of America, of Memphis, Tennessee, for an undisclosed amount to be paid in cash, writes Robert Gibbons from Montreal.

TSA is a distributor and installer of telecommunications equipment in the South-East of the U.S.

BY TAKING control of Sachs, the West German engineering group, Gust Keen and Nettelfelds would further its ambitions both to increase its operations outside the U.K. and to diversify into products closely related to its existing business.

The Sachs deal offers all this at no great financial risk.

## Common market

When he took over as chairman of GKN nearly two years ago, Mr. Barry Heath made it clear that there was no question of Britain's biggest engineering group making any radical change of direction.

He did believe, however, that the group's operations were directed too much at the U.K. and the old Commonwealth countries and that this needed to be balanced by better representation in the Common Market—Mr. Heath being a vocal pro-Marketer.

He also said that GKN needed new products and had perhaps been too slow to develop them for itself in the past.

Less than a year later—in December, 1975—GKN announced the deal with Sachs.

In one big step the acquisition would add more than 50 per cent to GKN's overseas turnover of around £300m. (the 1975 figure). It would add 78 per cent to GKN's sales in Europe worth £240m.

Sachs' operations are also almost entirely complementary to those of GKN. The overlap is in the manufacture of clutches. Sachs is the leading West German maker with 80 per cent of its domestic market for clutches.

GKN's subsidiary, Laycock Engineering, has a much smaller percentage of its home market. Clutches and other motor components are supplied to all the major West German motor manufacturers by Fichtel and Sachs, the main operating subsidiary of Sachs which is based in Schweinfurt. This offshoot accounts for around 60 per cent of Sachs' annual sales of £420m. (£225m.).

Other subsidiaries make internal combustion engines (two-stroke and Wankel) (20 to 25 per cent of total sales) and hubs (10 to 15 per cent).

Sachs also makes shock absorbers, has an agricultural machinery business and owns West Germany's biggest bicycle manufacturer.

GKN's 1975 turnover was £120m. of which 38 per cent (£45.6m.) was contributed by its automotive components division.

A great deal of this actually came from West Germany where GKN has a controlling interest in Uni-Cardan, the largest transmission components company in the Common Market, with 16 operating subsidiaries and subsidiaries, some of them in France and Italy.

Overshadow

Uni-Cardan's 1975 turnover was £142m. representing 28 per cent of total GKN component sales. Its trading profit that year was an estimated £13m. (£7.7m.).

Sachs achieved.

There is little doubt that the

## Taking the long term view

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

German automotive components operations will eventually overshadow those in the U.K. because the West German car industry is already the strongest in Europe and has better chances of growth than its U.K. counterpart.

But the whole of Western Europe's motor manufacturing business should benefit from demand from the Middle East, Asia and the Pacific areas, where vehicle ownership should rise sharply over the next decade.

GKN will be Europe's biggest motor components supplier, for there seems little chance that the other Continental manufacturers, which tend to be small, will compete their currently fragmented industry in the meantime.

In the U.K. itself completion of the Sachs deal could lead to a change in the already competitive clutch market. At present Automotive Products has an 80 per cent market share, but development of GKN's European interests will give powerful support to Laycock in its battle to increase its 15 per cent share.

There is little doubt that the

## No higher dividend seen for Denain

BY DAVID CURRY

PARIS, Dec. 1

USINOR, France's leading steel concern, has confirmed that there will be no pay-out for 1976 despite expected increases in both output and turnover. Meantime Europe's second biggest manufacturer of steel tubes, Vallourec, says it intends to repeat last year's dividend despite a decline in sales.

Put together these results mean that the holding company Denain Nord-Est Longwy, which holds 64 per cent of the first and 60 per cent of the second company is unlikely in 1977 to be able to do better than pay the Frs.6.25 dividend it hopes to distribute for the 1976 year (1975 Frs.12.50).

USINOR, which has an 8m. tonnes a year capacity modern coastal plant at Dunkirk and 47.5 per cent stake in the 3.5m. tonnes a year capacity Solmer plant at Fos, expects its total 1976 turnover to be 1,000,000 Frs.8m. tonnes, up by 1m. tonnes on the disastrous year of 1975 when the company ran up a Frs.1.2bn. loss. Turnover is expected to work out at between Frs.4.4bn. and Frs.5.8bn. against Frs.3.8bn. the previous year.

This improvement reflects the better market situation in the first half of the year when output was higher and prices had moved off their 1975 floor.

Since then the momentum has failed completely except for cold rolled plate and the company identifies the depressed state of capital goods orders and the dead halved to Frs.6.25.

general economic situation as main problems. However, it asserts that the Japanese steel markets normally served by European exporters has played an important role in holding back recovery.

For the second year in succession the company will pay no dividend, and its only note of optimism is to comment that at least it has modern capacity waiting in the wings for when better times come along.

Vallourec suffered less than most in the 1975 depression, but in terms of sales the hard times caught up with it this year pushing turnover down from Frs.4.6bn. to an expected Frs.4.2bn. Production is likely to show a small advance from 1.26m. tonnes to 1.33m. tonnes.

The company notes that imports in 1976 have been 20 per cent higher than in 1975. It also accuses Japan of aggressive competition.

However, Vallourec, which had a very good 1975 compared with most other steel concerns, carrying Frs.161m. net, says it will be able to repeat the Frs.13 dividend.

The 1976 results of Denain Nord-Est Longwy reflect with some delay the 1975 results of its operating companies. Denain is expecting a net profit of some Frs.60.8m. against more than Frs.135m. for the previous year and is likely to propose a dividend halved to Frs.6.25.

## Polysar offer doubled

BY TONY HAWKINS

REFLECTING considerable market support for the issue, the Polysar Eurobond offering has been doubled in size from \$25m. to \$50m. The bonds were priced at par yesterday with a coupon of 9 1/2 per cent, as indicated.

Polysar is a Canadian-based multinational engaged in the production of synthetic rubber, latex, thermoplastic resins and basic materials for the chemical

industry, as well as operating in the plastic fabricating industry. Apart from Canada, Polysar has manufacturing operations in Belgium, France, Germany and the U.S. It borrowed \$25m. in the Eurobond market last December for seven years on a 10 per cent coupon.

Market sources said the Polysar issue had attracted about \$165m. in investment funds, so that it

was more than 6 1/2 times subscribed. Lead manager was Wood Gundy.

Also increased in size was the floating rate note issue for the Long Term Credit Bank of Canada which was raised in size to \$30m. from \$25m. originally announced. The lead managers, First Boston (Europe) had earlier announced a reduction in the coupon from 8 1/2 per cent to 8 per cent.

The five-year note was traded in the secondary market yesterday at 99 1/4 which means that they were well received.

In the Deutschmark sector the DM100m. Companhia Vale do Rio Doce (CVRD) ten years Eurobond were priced at 99 1/4 on a coupon of 8 1/2 per cent.

The Inter-American Development Bank is raising DM100m. in the Eurobond market with an issue of ten-year bonds (average life eight years) on a 7 per cent coupon. The indicated offer price is 99 1/4 and Deutsche Bank is lead manager.

A significant development in the enlargement of the management group which now includes five banks rather than the four major names normally associated with supranational issues. The management group comprises Deutsche Bank, Dresdner Bank, Commerzbank, West Deutsche Landesbank and Bayerische Vereinsbank, which is the new member.

A DM private placing announced yesterday is of DM50m. on a 7 per cent coupon at par for the Oesterreichische Kontrollbank.

In the secondary market, Mexican and Quebec issues came under pressure yesterday in the dollar sector. Mexican issues fell on client selling reflecting nervousness about the political situation while Quebec issues were up to three-quarters of a point lower. But most dollar bonds were little changed in relatively quiet trading with prices possibly tending a shade easier on year-end professional tidying-up operations.

In contrast to the downturn of Quebec issues in the American dollar sector, Canadian dollar issues tended one-quarter of a point higher on the day.

Latest Eurobond statistics from Morgan Guaranty Trust Company showed that Eurobond issues totalled \$1.3bn. during November. Morgan's figures put total Eurobond issues so far this year at \$13.1bn., an increase of more than 72 per cent on the comparable 1975 figure and more than 50 per cent higher than the annual total last year.

So far this year, U.S. dollar issues have accounted for 63.3 per cent of the total, DM issues 18.4 per cent and Canadian dollar issues 10.6 per cent in the comparable period last year.

U.S. dollar issues accounted for 41 1/2 per cent, DM issues 28.6 per cent, and Canadian dollars just under 6 per cent.

So far this year, U.S. dollar issues have accounted for 63.3 per cent of the total, DM issues 18.4 per cent and Canadian dollar issues 10.6 per cent in the comparable period last year.

U.S. dollar issues accounted for 41 1/2 per cent, DM issues 28.6 per cent, and Canadian dollars just under 6 per cent.

## BONDTREDE INDEX

	Wednesday	Thursday
Medium	101.70	101.76
Long	92.44	93.41
Convertible	104.97	105.10

## SSIH sees more losses

BY JOHN WICKS

ZURICH, Dec. 1

THE SWISS watch group SSIH, which produced a consolidated loss of SwFr.29.2m. in 1975, expects another considerable deficit this year. In a letter to shareholders, the board says that losses in 1976 will be at least as high as last year.

The SSIH group, best known for its "Omega" and "Tissot" watches, recorded a 14 per cent fall in turnover during the first nine months of 1976. Last year, nine-month sales had already declined by SwFr.70m. (732m.). The labour force, which dropped by 24 per cent in 1975 to 6,430, declined by a further 7.5 per cent this year so far to below 6,000.

In the coming years, however, the group places confidence in the development of its operations in the field of electronic quartz watches. Large-scale orders are said to have been placed already with group companies for delivery next year and into 1978.

KSH noted some improvement in business, however, in the second half of the year when losses were reduced to Frs.4.3m. from Frs.11.9m. in the first half of 1976-77. The Board commented that this improvement looked as if it would continue in the current financial year. But it also emphasised that it was too early to draw any conclusions to the 1976-1977 annual results.

The company's provisional statement showed that gross sales totalled Frs.369.8m. in the year 1976-77 after reaching Frs.530.5m. in the second half of the year. The comparable figure for the previous year was Frs.481.2m.

Total operating costs rose to Frs.363.3m. in the year, with second half costs amounting to Frs.181.6m., compared with Frs.362.9m. in 1975-76. Depreciation went up to Frs.45.1m. (Fr.22.1m.) from Frs.40.1m. the year before.

KSH's operating result before interest was Frs.9.1m., of which the second half accounted for Frs.7.6m., compared with Frs.13.7m. in 1974-75. Interest paid amounted to Frs.28.3m. in 1976-77, leaving an after-interest loss of Frs.19.2m. (Fr.6.5m. in the second half), compared with a Frs.14m. loss the previous year. Taxes reduced this by Frs.1.5m. in the full year.

In 1974-75, KSH showed a profit of Frs.50,000 by adding an extraordinary income of Frs.15.5m. from stock gains on a change in valuation methods.

## SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	84d	Other	D.MARK BONDS		
Alcan 5 1/2% 1988	104 1/2	103	Bechem 5% 1982		102 1/2
Alcan 5 1/2% 1991	104 1/2	103	EB 5% 1982		102 1/2
Bowater 5 1/2% 1998	102 1/2	103	Gen. Inv. 1% 1988	99 1/2	101 1/2
Canadian N. Ryw. 5 1/2% '98	100	103 1/2	New Zealand 7 1/2% 1986	102 1/2	102 1/2
Domestic 5 1/2% 1988	100	103 1/2	Pemex 5 1/2% 1982	99 1/2	100 1/2
Domestic 5 1/2% 1991	100	103 1/2	World Securities	8 1/2	99 1/2
Domestic 5 1/2% 1994	97 1/2	95	CONVERTIBLES		
Domestic 5 1/2% 1998	102 1/2	103 1/2	American Express 4 1/2% '87	83	83 1/2
E.C.B. 5 1/2% 1988	102 1/2	103 1/2	Colson 5 1/2% 1982	100 1/2	100 1/2
E.C.B. 5 1/2% 1991	102 1/2	103 1/2	Reactive Foods 4 1/2% 1992	101	101 1/2
E.C.B. 5 1/2% 1994	102 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Eurotina 5 1/2% 1988	101 1/2	102 1/2	Shedden 5 1/2% 1982	100 1/2	100 1/2
Eurotina 5 1/2% 1991	101 1/2	102 1/2	Broadway Hale 4 1/2% '97	74	74 1/2
E.U.S.E. Canada 5 1/2% 1984	104 1/2	105	Canon Camera 5 1/2% 1989	107	107 1/2
Enbridge Ferguson 5 1/2% '84	104 1/2	105	Cardex 5 1/2% 1982	113	113 1/2
Michelin 5 1/2% 1988	101 1/2	102 1/2	Chorus 5 1/2% 1988	117	117 1/2
Michelin 5 1/2% 1991	101 1/2	102 1/2	Dart 4 1/2% 1987	92 1/2	92 1/2
Michelin 5 1/2% 1994	101 1/2	102 1/2	Domestic 4 1/2% 1988	100 1/2	100 1/2
Michelin 5 1/2% 1998	97 1/2	96 1/2	Economic 4 1/2% 1987	74	74 1/2
Mid. Westminter 5 1/2% 1988	100 1/2	100 1/2	Fed. Depo. Stores 4 1/2% '88	91 1/2	91 1/2
Mid. Westminter 5 1/2% 1991	100 1/2	100 1/2	Gen. Sec. 5 1/2% 1988	114	114 1/2
Norfolk 5 1/2% 1988	101 1/2	102 1/2	Gen. Sec. 5 1/2% 1991	118	118 1/2
Norfolk 5 1/2% 1991	100 1/2	101 1/2	Gen. Sec. 5 1/2% 1994	118	118 1/2
Porto Antares 5 1/2% 1988	100 1/2	101 1/2	General Electric 4 1/2% 1987	83	83 1/2
Porto Antares 5 1/2% 1991	100 1/2	101 1/2	Gen. Sec. 5 1/2% 1991	118	118 1/2
Porto Antares 5 1/2% 1994	100 1/2	101 1/2	Gen. Sec. 5 1/2% 1994	118	118 1/2
Porto Antares 5 1/2% 1998	100 1/2	101 1/2	Gulf and Western 5 1/2% 1988	90	90 1/2
Prov. Sec. 5 1/2% 1988	101 1/2	102 1/2	Harco 5 1/2%	100 1/2	100 1/2
Prov. Sec. 5 1/2% 1991	101 1/2	102 1/2	Riverwell 5 1/2% 1988	82 1/2	82 1/2
Prov. Sec. 5 1/2% 1994	101 1/2	102 1/2	ITT 4 1/2% 1987	79 1/2	79 1/2
Prov. Sec. 5 1/2% 1998	101 1/2	102 1/2	Konover 5 1/2% 1988	100 1/2	100 1/2
NOTES			J. Ray McDermott 4 1/2% '97	120	120 1/2
Australia 5 1/2% 1988	99 1/2	101 1/2	Mitsubishi 4 1/2% 1991	132 1/2	132 1/2
Australia 5 1/2% 1991	100 1/2	101 1/2	Mitsubishi 4 1/2% 1994	132 1/2	132 1/2
Australia 5 1/2% 1994	100 1/2	101 1/2	Mitsubishi 4 1/2% 1997	132 1/2	132 1/2
Australia 5 1/2% 1998	100 1/2	101 1/2	N. J. F. 5 1/2% 1987	107 1/2	107 1/2
B.C. 5 1/2% 1982	100 1/2	101 1/2	Nabisco 5 1/2% 1988	93	93 1/2
B.C. 5 1/2% 1991	97 1/2	99	Owens Illinois 4 1/2% 1987	112 1/2	112 1/2
B.C. 5 1/2% 1994	97 1/2	99	C. P. 5 1/2% 1988	100 1/2	100 1/2
B.C. 5 1/2% 1998	97 1/2	99	Pioneer 5 1/2% 1988	100 1/2	100 1/2
Cal. Board 5 1/2% 1982	100 1/2	102 1/2	Raymond 5 1/2% 1982	100 1/2	100 1/2
Cal. Board 5 1/2% 1991	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 1994	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 1998	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2001	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2004	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2007	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2010	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2013	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2016	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2019	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2022	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2025	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2028	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2031	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2034	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2037	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2040	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2043	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2046	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2049	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2052	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2055	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2058	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2061	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2064	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2067	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2070	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2073	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2076	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2079	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2082	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2085	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2088	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2091	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2094	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2097	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2100	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2103	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2106	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2109	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2112	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2115	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2118	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2121	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2124	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2127	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2130	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2133	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2136	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2139	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2142	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2145	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2148	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2151	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2154	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2157	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2160	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2163	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2166	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2169	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2172	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2175	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2178	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2181	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2184	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2187	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2190	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2193	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2196	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2199	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2202	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2205	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2208	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2211	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2214	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2217	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2220	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2223	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2226	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2229	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2232	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2235	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2238	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
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Cal. Board 5 1/2% 2247	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
Cal. Board 5 1/2% 2250	101 1/2	103 1/2	Reactive Foods 4 1/2% 1992	100 1/2	100 1/2
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Cal. Board 5 1/2% 2280					



# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## BEATRICE FOODS

### Biggest in the business

BY ELINOR GOODMAN

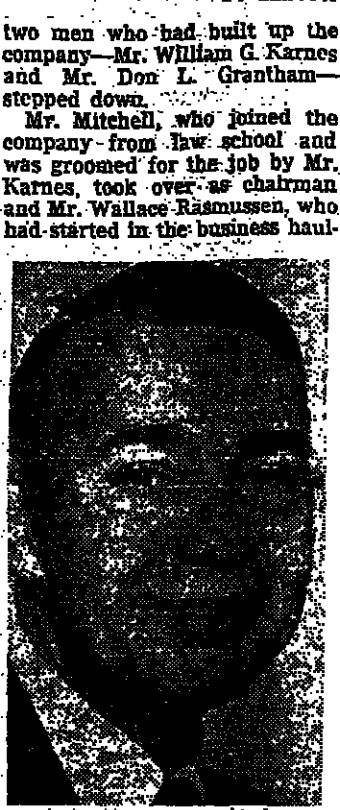
NAME THE world's largest food company. Unilever? Nestlé? General Foods? Not according to Mr. William G. Mitchell, who claims his company, Beatrice Foods, holds the title. With sales of \$4.6bn, this is not the only honour the company can lay claim to. It is one of a very small band of companies quoted on the New York Stock Exchange to have increased its profits for the last 20 years (thus including the period covered by the 1930s recession) and to have been awarded the credit "A" by the highest accolade—a triple A rating.

Sales growth in the last 25 years has averaged 13 per cent a year and profits per share have grown at an annual rate of 7 per cent. Last year's profits of \$150m were larger than any other American food processor while its overseas subsidiaries have a similar unbroken record of profits growth since Beatrice first invested abroad in 1901. On top of all this, it has probably taken over more companies—around 400 in all—over the past 25 years than any other company in the Fortune 500.

So why is so little heard of this paragon of commercial virtue in Britain? Partly because Britain has come fairly low down its list of international priorities—the right situations have not generally come up here—partly because even in the U.S. where it has been operating for almost 50 years, Beatrice is hardly a household name.

Rather than promoting the Beatrice name, the company has concentrated on building up the brand names of some of its 8,000 products, like Dannon yoghurt, LaChoy Chinese Foods and Eckrich meats in the food market (which accounts for three-quarters of the company's sales) and Samsonite luggage in the non-food area. Moreover, the company is also highly decentralised with 397 separate profit centres and the top management has tended to keep a low profile.

In July of this year, a new team took over at the top as the



William G. Mitchell

ing blocks of ice in a Beatrice warehouse, became chief executive and president.

At 44, Mr. Mitchell must be aware of the problems involved in stepping into such very successful shoes—after all, people have been saying for years that Beatrice's growth must slow down sometime.

But Mr. Mitchell, who was in London this week for the Institutional Investors Conference at the Savoy and who has worked mostly on mergers and administrative problems in the past, takes the challenge quietly enough.

Any change will be "evolutionary rather than revolutionary," he says. The company still has "enormous" potential

for internal growth and is, in his opinion, in the fortunate position of having "14 legs to stand on" unlike some of single product multi-nationals. If one of the 14 divisions does less well, "we can still stand up on the 13 other ones."

Under Mr. Mitchell's chairmanship, the company might increase its stake in England. Currently it has a chemical business here and small food company selling gourmet foods. It is now talking to a non-food company (with sales of about \$12.5m and a pre-tax return of about 25 per cent on sales) about the possibility of buying a 75 per cent holding.

It is also talking informally to about 20 other companies and was one of the many companies which cast an eye over the Ortel Foods business which RCA—an American company which, unlike Beatrice, diversified into food rather than starting in food and then going outside into other areas—was then trying to sell.

Though it is quite likely that Beatrice will announce a new British acquisition within the next few months, there is no apparent urgency behind its bid to strengthen its position in this country at a time when the dollar is buying more than ever before. (Much of the money for any British acquisition would, in any case, be raised in London.) Beatrice has a considerable hold on various European food markets—it claims to be the largest producer of ice cream on the Continent—but it has not rushed into Britain in the past and sees no reason for doing so now. What it has always been looking for, and what it is looking for now, is small, well-managed companies which would benefit from the backing of a company like Beatrice.

The usual Beatrice philosophy with acquisitions is to encourage the existing management to stay with a 25 per cent shareholding, while its normal approach to overseas markets—it manufactures in 27 countries—is gradually to build up a foothold by

buying a number of relatively small companies.

Mr. Mitchell says he would like to increase the company's very small stake in Britain. He would be buying for the "long term" and does not therefore appear overly worried about what the Chancellor will, or will not do, next month. "The British people have displayed an ability in the past when their backs are to the wall to come fighting back."

Beatrice itself seems to have been in the fortunate position of rarely having had its back to the wall, though it has stayed with some markets, like dairy products, in which other major companies have preferred to reduce their investment.

## Fuji Photo expecting stable growth

BY PAULINE CLARK

AFTER AN exceptional spurt in profits in the year ended last October, Fuji Photo Film Company, the leading Japanese photographic film manufacturer, is expecting to settle down to a more stable growth pattern in the current year. Profits are forecast to rise by some 16 per cent over 1976 levels to about ¥231bn, pre-tax on a 15 per cent increase in sales to ¥260bn—a major contribution being predicted from the company's ultra-sensitive colour film development. This was introduced to the Japanese market for the first time about a month ago.

Fuji company sources have indicated that for the year just

ended, net profits would show a 65 per cent rise to ¥10bn, on an increase in gross sales of 18 per cent to ¥226.7bn, where the major growth factor in the year was from exports of photo film and printing papers. The ratio of exports to gross sales was understood to have increased to 34 per cent from 21 per cent previously.

The overriding reason for the 1976 growth rate, however, was the achievement of 100 per cent plant utilisation during the year, compared with an average of only around 80 per cent.

During 1976, the company is also said to have repaid debts of ¥13.7bn to commercial banks,

so reducing the interest charge substantially. Meanwhile, investment analysts do not envisage any significant rise in capital expenditure in the current year because of the continuing suitability of existing production lines for new products.

Fuji has commanded considerable interest within the chemical sector on the stock markets recently where the share price has already largely discounted the ASA-400 ultra-sensitive film innovation in record rises to nearly ¥700 after around ¥530 previously. The dividend is expected to be unchanged at ¥7.5 a share for 1976 but the company is believed to be considering either an increased payout or a scrip issue at the end of the current first half.

Although the export prospects, particularly to the U.S., for the ASA-400 film are being viewed with confidence, the company is still showing considerable caution over the marketing programme for its other new development in the instant photographic business. The market for instant cameras in Japan itself is still reported to be limited after a slow beginning in 1975 when instant camera film sales were put at just ¥8bn, against ¥65bn in the conventional market. Kodak is expected to make an entrance in Japan with a new instant camera in late 1977 and Fuji is expected to wait and see the results before introducing its own technology in the field.

## Ilvo interim supplies more proof of falling sugar profits

BY RICHARD ROUSE

JOHANNESBURG, Dec. 1

FURTHER proof of declining profits in the sugar industry has come from Ilvo Sugar Estates, in which Tate and Lyle holds 49 per cent of the shares, and which accounts for about 8 per cent of South African sugar output.

Its profits for the period to October 31 which are estimated because, following the normal procedure of the local industry, Ilvo reckons on its full year profits and divides by half, fell from R15m to R13m. With a lower average tax rate, earnings per share were a point down at 15.5c and the interim dividend has been set at 6c, up 1c on last time.

Ilvo estimates sugar production for the current season is set to rise from the 174,000 tons

achieved the previous year to 180,000. But lower yields are indicated, as the tonnage harvested is expected to be proportionately more, from 25,000 to 50,000 tons. The industry's average sugar price, however, is expected to be slightly down at R186.75 against R189.55 per ton. This reflects lower proceeds from exports, but some offset from the big rise in the domestic price, which went up 50 per cent to R190 per ton three weeks ago.

The board attributes the latest fall in profits to the "decrease in the group's share of industrial production and the fact that the sugar industry is not being compensated in full for its increased production costs."

However, looking a season ahead, there will probably be some benefit from the fact that

the present expansion programme is almost complete, with capital commitments at the half year amounting to R16m.

There is no further news of the refinery feasibility study announced by Mr. J. P. P. Tate, Ilvo's chairman, at the August AGM. Nor is there any information on the group's joint property development on the Natal coast with the troubled Glen Airl group.

However, the increased interim in the face of lower earnings is an encouraging sign, and in the absence of any disclaimer about evening out the disparity between payments, it suggests a comparable increase in last year's 11c dividend.

Ilvo shares at 120c therefore stand on a prospective yield of 14.3 per cent if the dividend totals 17c.

## Vienna promotion measures

BY PAUL LENDVAY

VIENNA, Dec. 1

VIENNA'S chamber of trade and the municipal authority have joined forces to attract new industrial investment to promote the setting up of new trading enterprises and to rejuvenate the capital's stock of industrial priorities. The campaign involves the provision of quality sites with up to 90 per cent of lease cost covered to municipal cash grants.

Announcing these details, Herr Karl Dietrich, the President of the Vienna Chamber, revealed that the factory premises could become in 25 years the property of the developers with only 60 per cent of the original price to be paid. Within ten days of the beginning of the campaign, 31 companies expressed interest.

Each quality site is about 2,000 square metres in size. Within the Vienna Municipal Industrial Siting Corporation, wholly owned by the City, will transfer to the municipality about 50,000 square metres of industrial sites, which in turn as from 1977 will be put at the disposal of investors setting up new projects for re-developing old premises.

The promotion measures are expected to cost the municipality over Sch.30m, (just over £1m). Announcing this, City Councillor Herr Hans Mayer added that the combined action assisting both industrial ventures and small traders was aimed at strengthening Vienna's economic base which still accounts for over one quarter of the Austrian gross

national product. Faced with the repercussions from the westward shift of resources and population, the Vienna municipality projects serving better supply of under its outward looking mayor, Leopold Gratz, and the Chamber of Commerce headed by a new 30-year-old, Herr Karl Dietrich has been made special efforts to attract new investors. capital, may even receive pre-Wilag, since 1969, has helped investments to the tune of under Sch.4.2bn. About 80 per cent of the investors were Austrians, ceeding 40, Herr Dietrich reckoned. The new system involves the partial replacement of interest free relief grants by investment pre-1940, by 1980. Thus, the main motive force of the campaign is the redevelopment of old premises come into force as of 1977. (a) a 5 per cent premium for investments in gen-

eral; (b) in certain cases the premium can rise up to 10 per cent for new ventures; and (c) the Vienna municipality projects serving better supply of under its outward looking mayor, Leopold Gratz, and the Chamber of Commerce headed by a new 30-year-old, Herr Karl Dietrich has been made special efforts to attract new investors. capital, may even receive pre-Wilag, since 1969, has helped investments to the tune of under Sch.4.2bn. About 80 per cent of the investors were Austrians, ceeding 40, Herr Dietrich reckoned. The new system involves the partial replacement of interest free relief grants by investment pre-1940, by 1980. Thus, the main motive force of the campaign is the redevelopment of old premises come into force as of 1977. (a) a 5 per cent premium for investments in gen-

## Arab insurance plans

BY ERIC SHORT

CLOSER co-operation between the Arab insurance and reinsurance companies with a view to eventual integration of activities was agreed at the Arab Reinsurance Seminar held recently in Baghdad. The speakers emphasised that the large financial resources existing in the Arab world could be put to use in the currency stability of

most Arab countries provided the basic factor for a firm reinsurance market. But it was appreciated that there were other principal prerequisites for such a market, particularly developing reinsurance expertise, without which financial resources alone were not sufficient. Therefore it was resolved to continue co-operation with the reinsurance markets of the developed countries in order to get the benefit of their underwriting experience and their capacities.

The Seminar discussed the development of reinsurance pools to facilitate the growth of reinsurance. In particular it recommended the formation of two main pools—marine and non-marine—but with the existing aviation and engineering pools to remain independent. This should enable Arab reinsurers to accept higher risks and liabilities.

Agreement was also reached on the establishment of two funds financed by insurance and reinsurance companies. The first would investigate finance loss prevention measures and the Seminar considered that this was a responsibility of insurers. The second fund would finance insurance research.

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Tokyo Pacific Holdings (Seaboard) N.V.	U.S. \$26.42

Listed on the Amsterdam Stock Exchange

Information: Persson, Halding & Persson N.V., Nieuwegracht 214, Amsterdam

VONTBEL EUROBOND INDICES

145.74 = 100%			
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102.74	102.73	102.73	7.62%
102.64	102.63	102.63	7.61%
101.73	101.72	101.72	7.60%

Alahli Bank of Kuwait (K.S.C.)	Algemene Bank Nederland NV	A. E. Ames & Co. Limited	Andresens Bank A/S
Arab Bank Limited	The Arab Investment Company S.A.A. (Riyadh)	Arab Trust Company K.S.C.	The Arab and Morgan Grenfell Finance Company Limited
Amhold and S. Bleichroeder, Inc.	Julius Baer International Limited	Banca del Gottardo	Banca della Svizzera Italiana
Banco di Roma	Banco di Santo Spirito	Banco Urquijo Hispano Americano	Bank für Gemeinwirtschaft Aktiengesellschaft
Bank Gutzwiller, Kurz, Bungenier (Overseas) Limited	Bank Leu International Ltd.	Bank Mees & Hope NV	Bank of America International
The Bank of Bermuda Limited	Bank of Helsinki Ltd.	The Bank of Tokyo (Holland) NV	Banque Arabe et Internationale d'Investissement (B.A.I.I.)
Banque du Benelux	Banque Bruxelles-Lambert S.A.	Banque Européenne de Tokyo	Banque Française du Commerce Extérieur
Banque Française de Dépôts et de Titres	Banque Générale du Luxembourg S.A.	Banque de l'Indochine et de Suez	Banque Internationale à Luxembourg S.A.
Banque Louis-Dreyfus	Banque Nationale de Paris	Banque de Neufilze, Schlumberger, Mallet	Banque de Paris et des Pays-Bas
Banque de l'Union Européenne	Banque Populaire Suisse SA Luxembourg	Banque Rothschild	Banque Worms
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The British Bank of the Middle East	Brown Harriman & International Banks Limited	Brown Shipley & Co. Limited	Caisse des Dépôts et Consignations
Chase Manhattan Limited	Christiania Bank og Kreditkasse	Citicorp International Group	Clariden Bank
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Crédit Industriel et Commercial	Crédit Lyonnais	Crédit du Nord	Credito Italiano
D GBANK Deutsche Girozentrale	Deutsche Girozentrale	The Development Bank of Singapore Limited	Dillon, Read Overseas Corporation
Effectenbank-Warburg Aktiengesellschaft	Eurosecurities Limited	Eurotrading Ltd.	Fellesbanken A/S
Fuji Bank (Schweiz) AG	Geffina International Limited	Antony Gibbs Holdings Ltd.	Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft
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R. Henriques Jr. Bank Aktiengesellschaft	Hessische Landesbank—Girozentrale	Hill Samuel & Co. Limited	IBJ International Limited
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## THE JOBS COLUMN

## Pioneers for Bertelsmann • Indonesia • Manpower

BY MICHAEL DIXON

HERE is a chance for three people to be in at the beginning of an ambitious new venture in Britain by the Bertelsmann group of West Germany, which has an £800m turnover in the printing and publishing business.

Although an estimated 800,000 people already belong to book clubs operating here, Bertelsmann feels that the United Kingdom market is far from saturated. It is therefore planning to extend to Britain its own book club activities which are claimed to serve about 9m readers in the other countries of western Europe.

The managing director of the U.K. venture is to be Dr. Manfred Herriger, and he needs three recruits—two of senior, and one of middle rank—to join him by March 1 with the aim of getting operations going by the end of 1977. Where the jobs will be based is not yet determined, but the probability is somewhere a bit to the north-west of London.

The first senior job is the vital one of general sales manager.

In Germany one of Bertelsmann's main outlets for its wide experience. We need high discount-priced books is the performance. Top sales specialists own in many towns. If, as or take 10 per cent. have seems probable, this type of already got to management outlet is proscribed in Britain. committee rank in at least a the new venture's success will medium-sized company. One of

the responsibilities will be to build up a large field-sales force, and make it effective.

The salary for the general sales manager is quoted by Mr. Egan as at least £12,000, plus bonus and other perks including a car.

## Finance etc.

THE OTHER senior post with Bertelsmann will have the title of financial controller. But its responsibilities will spread—with particular importance in the early stages of the British operation—to the company secretary's role, and also to purchasing, and personnel issues.

German-speaking, while still not absolutely necessary, would be of even greater help here because close contact will be required with the parent company in setting up systems for financial and management accounting and so on in line with the practices and computers of the rest of the group, Mr. Egan says.

In general, there's a need for high-level knowledge of financial management, not to mention other things such as this country's employee legislation. But the good old strategic thinking ability will have to be coupled with a willingness to

roll the sleeves up and get down to solving some of the more mundane administrative problems.

An accountancy qualification, preferably chartered, is a must for the financial controller's job. The ideal career for candidates would include financial management not only in the headquarters of a large company with international horizons, but also in a hard-nosed commercial operation of the mail-order ilk. Even so, the preference is for people nearer to the beginning than the end of their 30s.

The salary quoted for this post is around £11,000, again with bonus and car among the benefits.

## In support

THE THIRD opening in the new venture is for a management accountant who at the outset will support the incoming financial controller in setting up the accounting systems and administrative arrangements.

The specification is for a qualified accountant aged 25 or thereabouts who has gained experience of budgetary control in a company of the consumer-contact kind. The salary will be about £8,000. Readers interested in one of

the Bertelsmann jobs should get in touch with Mr. Egan at P.A. Management Consultants, Hyde Park House, 60a Knightsbridge, London SW1X 7LE—telephone 01-235 6060.

## Alltrak

P. T. ALLTRAK, which deals in tractors, earth-moving equipment and the like in Indonesia, came into sad prominence last year. Because of a combination of poor financial control and a recession in the logging industry in Indonesia, it was a major contributor to the troubles of manager Brian Cashman for the Hutchison International, whose need for an injection of about £19.1m. led last September to the Hong Kong-based group and Shanghai Bank, taking 30 per cent. of the equity, and a considerable shake-up of the Hutchison group's management.

As a result the group has forecast earnings this year of about 25c. per share when dealing and capital profits are included, and has lately girded its loins for what could become the Crown Colony's biggest takeover battle by entering competition with the combined interests of Hong Kong Land and Jardine Matheson in seeking a merger with the Wheelock Marden Group.

Moreover, the Hutchison-controlled Alltrak concern — which now has its head office in Singapore—is said to have been turned round and to be heading for a good future. And the next step on the way will be the appointment of a manager for its spare parts and accessories business in the fields of automotive and heavy machinery.

Michael Silverman, head of Merton Associates (Consultants), who is dealing with this job tells me that it is based in the Indonesia headquarters in Jakarta, and carries responsibility to general marketing control, sales and distribution of the spare parts and accessories, which involve imports of about £10m. a year. In addition to setting up a stock-control system, the newcomer will lead a 10-strong sales force, and will personally have some high-level selling to do, mainly to Government departments and multinational concerns.

Among the manufacturers whose products are handled by Alltrak in South-East Asia are Fiat-Alfas, Koehring, Kenworth Paccar, Escal, and British Wire Ropes.

Mr. Silverman says that the ideal candidate would be a qualified engineer with developed marketing skills, whose experience includes at least

three years of controlling and managing the sales of goods of a comparable kind both directly and through distributors. "We're looking on this role as vital to the company's future growth," he adds, "and the rewards package will be in line with that."

The tax-free salary will be at the \$US20,000 level. The perks will include a chauffeur-driven car, medical cover and far-paid leave for up to six weeks a year in the U.K., and if the successful candidate is married and has children, a company house and school fees as well.

Inquiries to Michael Silverman at Regina House, 1-5 Queen Street, London EC4N 1FP—tel. 01-248 7421.

## Brighton base

A COUPLE of senior people with skills in the field of manpower economics are wanted by the Institute of Manpower Studies, which has to finance itself by fees and grants from industry, public services, and local and central Government. The two jobs are connected with the IMS's most recent cap-tured grant, from the Department of Employment and the Manpower Services Commission, which will provide among

other things for the Institute to produce for the joint sponsors a regular independent commentary on issues with a bearing on the country's manpower policy.

This commentary will be the particular concern of the newcomers, who in producing will draw on the Institute's contacts among employers, unions and academics as well as other members of the 30 IMS staff. The main base, by the way, on the late Sir Basil Spence's tasteful (but, to my mind, somewhat chilling) Sussex University campus three or four miles on the Lewes side of Brighton, although the recruits could work from offices at the London School of Economics.

Candidates must be equipped with understanding of the issues affecting employment, and of the ways in which Government policy is formed, and have experience of manpower analysis. The salary range is likely to be £8,000-£8,000, although it could be higher for someone exceptionally qualified.

Responsibility, I gather, will be to technical director Dr. Clive Purkiss. But written applications should be sent to Sir James Dunnett, the IMS executive vice-chairman (Mantell Building, University of Sussex, Falmer, Brighton BN1 9RF).

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The Post Office Contracts Division has a number of vacancies in its Accountancy Branch. The branch investigates manufacturers' records as required by the Post Office in connection with non-competitive and research and development contracts. Additionally, the branch provides a general accountancy advisory service to the various Post Office businesses. The work of the branch, which is expanding, is interesting and varied. While jobs are London based, close contact with the telecommunications industry at its various locations is necessary, and so candidates must be prepared for short absences from home. Candidates should be Chartered, Certified or Cost and Management Accountants, with at least two years' post qualification experience in industry, investigation, or Management Consultancy work, and between 27 and 50 years of age. The present salary range is £6690-£7905, which

includes pay supplement and London allowance. Conditions of service include a contributory pension scheme and 5 weeks' holiday initially. Promotion is on merit. There will be future opportunities to progress to higher posts initially within the Branch, but subsequently in the wider sphere of the Telecommunications Business. The highest posts carry salaries of over £12,000. Accountants interested in obtaining further information should ring 01-388 1166 extension 905 when they will be put in touch with a senior member of the branch. Applications are invited by letter, briefly stating qualifications and relevant experience, and quoting ref. B959, to: Miss J. M. Bonney Post Office Appointments Centre Euston Tower 286 Euston Road, London NW1 3DD.

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Wembley c. £8,000+car

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Reporting to the Financial Controller, the Chief Accountant will supervise a department of 30 staff and be responsible for the total accounting function, playing a key role in the improvement of procedures and computerised systems. Involved in financial management, the Chief Accountant will be responsible for the treasury function and will deal with a variety of projects including appraisal of proposed major investments.

Aged 28-35, applicants (male or female) should be qualified accountants with industrial experience, preferably with a U.S. subsidiary, and should telephone or write to Graham Webster A.C.A., M.B.A., quoting reference 1/1252.

E.M.A. Management Personnel Limited  
Burne House, 88/89 High Holborn  
London WC1V 6LR  
01-242 7773

Accountant  
with management ability  
about £6000—Ipswich

Our client needs an accountant to take a strong grip on one sector of its business based in Ipswich.

This is an opportunity for a young accountant, 27 to 32 (ACCA or ACA) with proven management ability to join a company which needs firm professional on-going management of its systems of:

- \* credit control

- \* ledger work

- \* costing work

- \* budgets

- \* invoicing

- \* management information.

As part of a small management team involved in running the Ipswich part of the business, the right person could have significant influence on company results.

Salary negotiable about £6,000 depending on age and experience. Other attractive benefits.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1389.

This appointment is open to men and women.

ASL RECRUITMENT  
ADVERTISING  
A member of MSL Group International

17 STRATTON STREET  
LONDON  
W1X 6DB

Financial Accountant  
c £7500 Surrey-Hampshire Border

This highly profitable electronics company wishes to appoint a financial accountant in a new management structure. The successful candidate would be expected to succeed the company financial controller within two years.

The job requires a qualified accountant, aged 28-35, whose professional training is supported by experience in a manufacturing industry with emphasis on cost control and profitability.

Experience in an international corporation is an advantage and skill in advocacy with managerial colleagues a pre-requisite for the ultimate position.

Salary is negotiable around £7,500. Relocation expenses will be paid.

Please write in confidence for an application form and a job description to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 8SY, quoting MGS/3577.

Management  
Accountant  
Music Industry

c. £4250 pa. N. London

Boosey & Hawkes a leading manufacturer and distributor of musical instruments are seeking to appoint a Management Accountant.

Applicants should have a sound experience of preparation of both annual and monthly accounts, budgets and cash flow statistics preferably with a knowledge of computing applications.

The job function will include directly assisting the Finance Director in the application of all Company Financial Policies.

Please write with brief but sufficient career details to: John Deligon, Boosey & Hawkes Limited, 295 Regent Street, London, W1R 8JH.

BOOSEY &amp; HAWKES

Financial Controller  
Gala Cosmetic Group (France)  
• Paris • Frs 65,000 pa

This is an important senior appointment within the European activity of the Gala Group (itself a part of the Smith & Nephew Group).

The Financial Controller, who will be responsible directly to the Managing Director, France, will play an integral part in the management of the Company. Responsibilities will cover the usual fields: financial control; budgeting and forecasting; Management information; departmental control.

We seek a qualified accountant, preferably ACMA or equivalent, with at least two years experience in industry (it would be of advantage if this were in a marketing environment), with the ability to control and motivate staff. Fluency in English and French is vital. Age range is seen as 29-30.

Please write with c.v. to: John Cox, Personnel Manager, Gala Cosmetic Group, Surbiton, Surrey, KT6 7LU.

Financial Controller  
Commodities Trading

for a young and expanding firm in the City, which is a member of a substantial international group. The Financial Controller will advise on the financial implications of the trading operations and control the accounting function, with clear prospects of extending his/her scope within the group.

Candidates, probably aged 30 to 42, must be qualified accountants with senior experience in the commercial field, ideally including commodity futures. Salary £10,000 to £12,000. Non-contributory pension.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1390.

ASL RECRUITMENT  
ADVERTISING  
A member of MSL Group International

17 STRATTON STREET  
LONDON  
W1X 6DB

Financial Director  
Marketing Company c £11,000+car

The base from which this organisation operates is developing significantly as new marketing opportunities are capitalised upon. To maintain their pre-eminent position the company needs a Financial Director of exceptional calibre. The task is to anticipate, identify and solve the problems in the financial area which must arise from the rapid development of the company.

Prerequisites are a professional accountancy qualification backed by expertise gained from involvement in the decision making processes in an international group where there is strong emphasis on consumer marketing, and the ability to motivate people.

Likely age mid-30's. The salary indicator is £11,000 plus a share of the profits and a car. Location - outer London.

Please write in confidence for a job description and an application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 8SY, quoting MGS/3577.



## Financial Management

### in Middle East Oil

A rapidly expanding oil company in the Gulf area seeks professionally qualified executives for its Finance Department. They must be fluent in Arabic and able to show substantial and relevant functional experience, preferably in the oil and petrochemical industries.

#### Financial Controller

Reporting to the Finance Director, he will be responsible for subsidiary and Group financial control and management, accounting and must be capable of developing computer-aided reporting systems.

#### Financial Analysis Supervisor

Responsible to above for procedures for operational accounting, investment criteria, vetting project proposals, tracking performances and related matters.

#### Cash & Credit Supervisor

Reporting to the Treasurer, he will recommend/administer investment of funds, credit investigation/collection policies/procedures, cash budgets/forecasts and monitor currency cross-rates.

#### Assistant Cash Management Supervisor

He will assist the above with the administration of investments, cash budgets, liaisons with external advisers, and provide general functional support.

Appointments may be on term contract or pensionable and will carry generous salaries and benefits including family accommodation.

Apply, quoting ref.: FT, to: Bernard Bissouline, Booz, Allen & Hamilton International, 1/5 New Bond Street, London W1Y 0DB. Tel: 01-499 8971.

**Booz Allen  
& Hamilton**  
Management Consultants

## Treasury Assistant

### Oil Company

### London

Phillips Petroleum is an international oil company with a major investment in North Sea Oil. This investment calls for sophisticated financial management by our professional Treasury team.

An opportunity has now arisen for a person to join this team and the duties would include economic analysis, contract analysis, monitoring exchange control regulations, and varied financial investigations. Future exposure could include areas such as economic planning, budgeting and foreign exchange.

Applicants aged 25-30 should have experience in either the Treasury or related function of an international company or bank.

and preferably hold either a degree or professional qualification. The ability to speak French would be an advantage.

Salary will be dependent on qualifications and experience but will be highly competitive. If you are seeking an expanding and absorbing international financial environment then write or telephone for an application form to: Mr. T. Selby, Recruitment Officer, Phillips Petroleum Company, European Area, Portland House, Stag Place, London SW8 5DA. Tel: 01-224 9225 Ext. 465.



## Financial Director

for an exciting new group of companies being put together by a professional entrepreneur with a proven track record in oil and chemical contracting and plant manufacture. His or her target is profits of £500,000 within three years and £1 million in five.

This post offers a general management challenge to qualified accountants in their mid-30's who like tight-run, tight-sleeve operations. They must be prepared to work long hours and travel extensively, and a knowledge of estimating, contract negotiation, project control and cash management in petro-chemical contracting would be ideal. Contracting experience is essential.

The salary indicator is £9-10,000 plus a car but a particularly well-suited person might be offered more as a profit share. Other benefits are good—the group is part of a public company.

Please write, in complete confidence, quoting Ref. 505/FT stating experience, present earnings, age and qualifications to:—

### CB-Linnell Limited

8 Oxford Street, Nottingham  
SELECTION CONSULTANTS  
NOTTINGHAM - LONDON

## Assistant Head Inspection Division

for the Trustee Savings Bank's Central Board at their London headquarters. He/she will play a major part in evolving, establishing and co-ordinating appropriate systems of inspection throughout the organisation to meet the much expanded range of activities and structure developed in recent years. There are clear prospects of advancement within a few years.

Candidates, aged 35 to 45, must be qualified accountants with experience of inspection, internal audit or related function, preferably in the banking or insurance fields.

Salary in the scale, £7,500 to £8,000 plus London weighting and mortgage assistance. Non-contributory pension.

Please send relevant details - in confidence - to P. Hook ref. B.26338.

**MSL** World wide

Management Selection Limited  
17 Stratton Street London W1X 8DB

## GENERAL APPOINTMENTS

### Treasurer

London

c. £10,000+car

Important and old-established City financial institution with an impressive record of sustained growth is to appoint a Treasurer to respond directly to its Group Finance Director. Starting salary negotiable around £10,000 a year. Benefits include a company car. Location: City of London.

Candidates, probably aged 50-60, will be experienced international bankers or senior executives in the Treasury Departments of multinational groups. This new appointment offers a considerable degree of independence and the opportunity to create an important new function in the Group.

Candidates should telephone V. Summers or W. T. Agar at John Courts and Partners Ltd., Executive Selection Consultants, 78 Wigmore Street, London W1H 9DQ, telephone 01-486 7442, quoting reference 293/FT.

## JC&P

### STORES AND FOOD RETAILING

### ANALYST

A medium sized Stockbroking firm wishes to recruit an experienced analyst to work within a small team specialising in, amongst other areas, Stores and Food Retailing. The successful applicant will have had at least five years analytical experience with, preferably, three years covering Stores and Food Retailing. He should be accustomed to conducting interviews with top level management, should be able to express himself concisely on paper and be capable of generating original ideas.

He can be assured of a competitive salary, bonus and non-contributory pension. The prospects for the right person are good.

Please write with full particulars, in strict confidence to:

Michael Anderson,  
Galloway & Pearson,  
Warford Court,  
Throgmorton Street,  
London EC2N 2AU.

### INTERNATIONAL TRADER

Manchester based International Industrial Company, currently extending its trading activities wish to appoint an Assistant to the Main Buyer.

Applicants must be experienced International Traders, used to dealing in most areas of Industrial Trades and Commodities and capable of negotiating Buying and Selling Contracts.

Salary commensurate with experience, excellent opportunity and future prospects. Write giving details in the strictest confidence to:

Write Box A5754, Financial Times,  
10 Cannon Street, EC4P 4BT.

### GENERAL APPOINTMENTS

### ARE CONTINUED

### TODAY ON

### THE FOLLOWING PAGE

### ACCOUNTANCY APPOINTMENTS

#### Consolidated Gold Fields Limited

### Accountant

City

to £5,750+bonus

We are the parent company of an international mining, finance and industrial Group with widespread interests in the U.K. and overseas.

Our Accountant's Department is seeking a qualified accountant aged about 30 whose duties will be mainly concerned with the consolidation of group annual and half-yearly accounts and quarterly profit forecasts. Other work will include accounting for inflation and information for management. Applicants must have sound practical experience of consolidations and be able to work with a minimum of supervision. It is possible that the job may eventually involve short overseas assignments.

In addition to salary, which will depend upon experience, there is a substantial discretionary bonus normally paid twice a year. Hours of work are from 10.00 a.m. to 5.30 p.m. and fringe benefits include free lunches and a non-contributory pension scheme.

Please write giving age, qualifications and a brief resume of experience to:



Mr. J. A. Schuler,  
PERSONNEL OFFICER,  
(Recruitment and Training),  
Consolidated Gold Fields Limited,  
40 MOORGATE,  
LONDON, EC3R 6RD.

### Exchange Control Officer

City

c£9,000

Our Client is an active International bank with a well established London branch.

A mature senior Banker, ideally aged mid 40's to early 50's with a broadly-based international banking background, is required now to succeed the present incumbent who is shortly to retire.

This is regarded as an important and responsible position which calls for experience of administration and foreign exchange accounting in addition to appropriate exchange control knowledge.

For more details in absolute confidence  
contact Norman Philpot MIPM, on 01-405 3499



## Lloyd Executive

Brownlow House, 50-51 High Holborn, London WC1V 6ER. Tel: 01-405 3499

## Senior Board Director Major S.E. Asia Merchant Bank Investment Banking

Hong Kong

c £30,000 (Tax Free)

Our Client: The shareholders of one of Europe's leading banks, coupled with S.E. Asia's most prominent Trading & Investment Group. Both have spent many years developing their International interests and are now perfectly poised to ensure their already well established, completely autonomous and fully independent Merchant Bank climbs steadily to play a lead role in S.E. Asia.

Our Ideal Candidate: An accomplished International Banker, well respected in the London Market, with a sound appreciation of the S.E. Asian Investment scene, aged 35-50 years, Preferably with a Professional Qualification or Business School degree, Fluent in German, with a track record in profitability developing an issuing bank's investment and activities.

Your Role: As deputy to the Chief Executive, you will assume control and command of the Bank's Investment Department, in part embracing Corporate Finance. The prime objective being to concentrate on: Managing, Underwriting and Placing International and Eurocurrency Loans, Private and Public Issues, Develop Portfolio Management, Play a key role in Mergers and Acquisitions and Joint Venture development.

Your Remuneration: High basic salary (circa HK\$1.5m) + Profit Sharing + Accommodation allowance + School Fees + Free travel + 5 weeks leave p.a. + Service Agreement.

Act Now: (Complete Confidentiality Assured!) Contact the Bank's Advisor: Michael A. Silverman (Chairman) or 01-248 7421 or 01-2481344 (24 hours Answerphone).

**MERTON ASSOCIATES (CONSULTANTS) LIMITED**  
Regina House, 1-5 Queen Street, London EC4N 1FP  
Executive Search and Management Consultants

## International Banking Manager Prominent Merchant Bank

City

£10-£12,000 + excellent bens

A rare career opening to become No. 1 to the Directors, responsible for Public Issues and Private Placements, Syndicated Eurocurrency Loans, and new business

The Bank: One of the most well established and highly respected banks with an untarnished and treasured reputation. Today, they are enjoying a period of unparalleled growth. Board Policy is to broaden their issuing activity and International Services; they are particularly active in 3rd World countries and the Middle East.

Your Job: To take control of the day-to-day management and administration of the International Banking Department. Servicing and negotiating new business. Preparing and formalising offers. Underwriting and syndicating Loans of up to \$50M. Arranging Eurocurrency Public Issues and Private Placements. Establishing yourself as a key figure with the opportunity to develop the Bank's International clientele.

Our Specification: A knowledgeable International Banker, Solicitor or Accountant, with an in-depth exposure to the International Loans Markets, aged 27-35 years, who has a strong desire to manage his/her own destiny.

Ideally you'll have worked in an Accepting or Issuing House, Merchant or Multi-national bank, for at least 6 years. Languages required (French, German or Spanish).

Remuneration Package: Negotiable Salary + Subsidised Mortgage + other valuable tax free benefits + 4 weeks hol.

Act Now! Telephone or write to the Company's adviser for an immediate meeting: Michael A. Silverman M.I.P.M. 01-248 7421 or 01-2481344 (24 hours Answerphone).

**MERTON ASSOCIATES (CONSULTANTS) LIMITED**  
Regina House, 1-5 Queen Street, London EC4N 1FP  
Executive Search and Management Consultants

U.S. firm, specialising in financial corporations, plans expansion of its European bank research team. Present thrust is investment and credit analysis on major continental banks and banking systems.

Requirement is for two people working in London:

### First, an ECONOMIST

with banking experience capable of writing a regular commentary on monetary and banking developments outside the U.S.A. Candidates should be fluent in one major language other than English and have a financial/analytical background.

### Secondly, a EUROPEAN FINANCIAL ANALYST

experienced in management interviewing and report writing would take on the preparation of individual studies of national banking systems and their main components. Fluent German and French would be an important advantage.

Initial salaries for these posts are likely to be in the £8,000 to £10,000 range and opportunity exists for promotion within a short period.

Employees of the advertiser have been informed.

Write Box A5765, Financial Times, 10 Cannon Street, EC4P 4BT

## Director

### North American Division

### International Insurance Brokers

This is a board level opportunity for an experienced and dynamic executive to preside over the reorganisation and future development of the North American non-marine operations of a leading City insurance broking company.

You will be taking over an existing portfolio containing both facultative and treaty business. In order to meet the considerable challenge of this appointment, you will need to be able to demonstrate a record of productive success in US and Canadian business.

A five figure salary and other benefits, commensurate with the importance of the appointment, will be offered to the man or woman selected.

Please write giving concise details of your age, qualifications and career history, stating the names of any organisations to whom your letter may not be forwarded. My client undertakes to treat all enquiries in strict confidence.

Brian M. Doble

Executive Selection Consultant, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.







**BY C. P. SNOW**

### Philip Mason: plain statement of faith

say, where we and you have had something in common. We too, though not as persistently as you, have believed in personal immortality, which in your writings you define as identity continuing, timeless, after death. But how can identity persist either in or out of time, without memory? Don't you agree that memory is a physical function, that it survives only in the physical brain? Or have you some recourse which is more serious than a form of words?

I wish Mason would sometimes devote himself to my hypothetical questions. He has been so busy mending his relations with his meaty apart, this is a work which made me feel rather better about man's state.

## BY WILLIAM PACKER

Phaidon's series of large-format art paperbacks (£3.95, 96 pages, 114 illus.) covers much the same ground, at greater speed but with a lesser ambition; and indeed is happier for its comparative modesty. The colour plates are large and lush, to be enjoyed just as they are.

Another national school, this time the Dutch, again benefited from a general interest stimulated by a major exhibition, although publication anticipated it by several months. In Dutch Painting (Pbaidon £3.95, 48 colour-plates) Christopher Brown keeps to a century or thereabouts, this time the 17th. His commentary on the plates is simple and informative; while the plates themselves must whet the appetites of those of you who have yet to visit the Dutch show at the National Gallery.

But scholars are not the only people to command attention when it comes to the discussion of Art. The popular myth of the inarticulate artist is misleading and unfair, and should have been exploded long ago. *Artists on Art* (John Murray £3.50, 500 pages, paperback) shows us clearly why, for it is an excellent anthology, compiled and edited by Robert Goldwater and Marco

BY DAVID PRYCE-JONES

be contemplating quieter heritages in the good old Chicago where he is at home? What Bellow asked of Jerusalem was the impossible: to take the air, to walk with poets and sages and to talk well, to move among tombs and monuments as a serious writer should, taking the long view on mortality. But—no, everything in Israel is pre-occupied with But—here he was waiting to listen for the next stunning up his own ears with the words, "These people." He was the writer of "Israelis," "are not universally, individually involved in universal history." I don't see how they can bear it."

There can be no picking out of them or them, of course. Dutifully Bellow goes after their problems, sees the sights, takes the measure of the best ones on the scene. From the prophet Jacob to the rabbi Shalom, Bellow, if possible, never appreciates the Arabs would give the Israelis a kidney punch, and the Russians would count the score. The civilised world, he

## BOOKS OF THE MONTH

**Tiley's Revenue Law**  
1976. By John Tiley. This new book for students of taxation law is far more detailed than any previous work, with greater emphasis on the theory and full discussion of case law.  
0 406 66586 9  
Casebound £16.00 net  
0 406 66587 7  
Limp £10.00 net  
Butterworths

**Whillans's Tax Tables and Tax Reckoner 1976-77**  
 Twenty-ninth Edition. By George Whillans. Completely revised to take into account all recent tax changes, especially those in this year's Finance Act, these annual tables are invaluable in minimising the time spent on tax calculations.  
 0 406 54311 8 £1.30 net.

**Butterworths**  
**Issues of Life and Death**  
**Sir Norman Anderson**  
The Director of the Institute of Advanced Legal Studies looks at today's fiercely debated moral issues: artificial insemination, genetic engineering, abortion, birth control, transplant surgery, capital punishment and euthanasia.  
**Norfolk Press £3.95**  
**The Public Prodigals**  
David Gallows

The growth of public spending and how to control it. How political and civil service machinery has made extravagance inevitable and how £15 billion could be saved. **55.50**

**Debrett's Correct Form**  
 Patrick Montague-Smith  
 The definitive and unique guide to Social and Business Etiquette, Precedence and Protocol and the wide range of forms of address. **This**

**Development Land Tax**  
Robert W. Maas, FCA  
Covers the basic principles of the tax, computation of the taxable gain, the charge on commencement of a project of material development, part disposals, exemptions and special situations. Examples of exemptions are included.

For contributions or orders  
to: 510 4834-5 \$4.25  
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An Economic Perspective  
Richard A. Posner.  
A non-technical and readable  
application of economics to  
this area of the law. Dem-  
onstrates the revisions in con-  
ventional thinking about  
anti-trust policy necessary if  
the economic purposes of  
that policy are to be taken  
seriously.

lly, Bellow strikes deep.  
What Switzerland is to winter  
holidays, and the Dalmatian  
past to summer tourists, Israel  
and the Palestinians are to the  
West's moral justice—sort  
of moral resort area." Justice  
in Jerusalem chases its own tail  
diminishing circles, and v  
Bellow does not care for any  
norm of giddiness. Give him o  
his friends who lost a son in the  
struggle, and he will be a strugg  
ruggling out of Russia, and be  
will grieve with them, being too  
human to dilute private feelings  
with symbolic gestures. But  
manifestos, slogans, prescrip  
ions—no.

In some consternation, there-

**Saul Bellow: among Israelis**

... are caught in "the butcher's question of politics." The appeal there is to the open play of the human mind, a blithe spirit which takes Sheller's sky-jark, never wavers. Bellow knows it well: blood is just over the horizon; the Lebanese civil war he has seen horrifyingly. "I would 40,000 people happily die for 30,000?" But such a question indeed.

All that can be said is that Bellow takes advantage of his privilege to escape. What the Israelis have to bear he cannot bear on their behalf. He wishes he could, he almost despairs of

**Y NICHOLAS OWEN**

ever really stood a chance. Our grandfathers were a robust walking lot, then after the First War London's comprehensive bus network took shape, and finally we have the ubiquitous motor car.

Mr. Klapper's historical work is more nostalgic stuff, though I suspect the same could be said of

Whether expensive new tube lines in London will ever really be viable is debatable. Recent economic nightmares have, however, altered perspectives. Mr. Slapper's concluding thought is that "property development schemes might finance underutilisation." That looks a

Several old railwaymen I know seek themselves these days for of salting away some of the junk of ancient equipment which down the years they saw going for scrap. For to-day, the "railwaymen" are no longer a tremendous business among the country's 2m. rail enthusiasts. *Railwaymen Retires and Regalia is* more or less a delightfully illustrated saunter through a museum of old machinery, locomotives, engine nameplates, maps, timetables, and scenes of steam trains in action. The pictures are taken from a text from a variety of experts in various fields of railway history.

BY TREVOR BAILEY

is own, highly individualistic attitude both on and off the field. Together with his conviction that he was almost invariably the innocent victim of the establishment's stupidity were hardly con-

Snow thrived on the big occasion, which is why he felt he bowled so much better for a

England than for his county. He has been there were many times when his performances for Sussex were not as good as they might have been, which can hardly have pleased his captain, his colleagues.

In the book Snow has some pertinent things to say about improving the lot of the professional player. Ray Illingworth, whom he greatly admired, matches and general administration.

BY B. A. YOUNG

biography. *On the Way I Lost It* (W. H. Allen, £4.50, 387 pages) is as endearing as that comic always is (even when saddled with the awful material people occasionally wish on him). The book is the testimony of a life in the middle of the century that came to an end with his triumphant performance in *A Funny Thing Happened on the Way to the Forum*, for which he had been recommended by John Gielgud. The book is written in Howardsesque style, and his fans will not fail to enjoy it.

**Musical Stages**, the autobiography of Richard Rodgers (Doubleday, £4.95, 341 pages), is the endearing, but not the

general interest. I first became aware of Richard Rodgers' music in 1929 and have never stopped admiring it through all its changes of manner. The Rodgers-Lorenz Hart combination produced some of what is to my mind the best popular music of this century. The Rodgers-Hart administration was a brilliant, sentimental, less dry, hit another target equally squarely. But the private Rodgers seems to be a touchy chap. He found Jack Hübner (of all people!) unfriendly in 1927, and he became "estranged" from Stephen Sondheim over the lyrics for *Do I Hear a Waltz?* In the 1970s, Well,

Jacqueline Tati by Penelope Gilliatt is an annotated picture-book in a series called *The Entertainers* (Woburn Press, £2.95, 96 pages). Impossible to think of a better writer for the project. The pictures are well chosen and the binding, which in the earlier numbers of the series would not allow double spreads to be seen, is now impeccable.

And with curiosity to wind up with The Jester and the Court. by Edward Robey (William Kimber, £4.50, 191 pages). Some of George Robey, and himself an amateur actor of uncommon distinction, Edward Robey combines memories of his father and his theatrical world with a more realistic memory of his own experience at the criminal bar. The combination emphasises once more how close a resemblance there is between barristers and actors. It would have emphasized it still more if the publisher and the author had some of the usual cross-examination every time he used some phrase like "I do not know if," when a

David Higham  
fiction prize

# field

BY TREV

on of words. The sad feature L  
on that this fine player, and a  
efficient and very likeable the  
person does not appear to have t  
played his cricket as much as a  
the world.

Bill Shankly is one of the few  
standing characters in the pro  
fessional football world. He is  
volatile individual with a keen  
sense of humour and a non-stop  
talk, so that it is not surpris  
ingly, that his biography,  
Shankly, is a lively and en  
tertaining book for anyone  
interested in the sport.

Born in the little coal-mining  
village of Glenbuck, his ability  
in the game, combined with  
his forceful and seldom  
quailed, enabled him to become  
an outstanding player and ultimately  
with Liverpool, one of

**OR BAILEY**

Liverpool, which became soured after his retirement is one of the highlights. He not only made his way into the most consistent eleven in the country, but the finest example of his skill as a manager was the way, having built a great team, he dismantled it, before it had begun to decline, and then produced another, while his finality with the ordinary fan was very exact.

He especially enjoyed his assessments of the leading players during the war. These are as follows: "He was as pungent as you could expect from one who has devoted his life to football."

It is difficult to believe that the *Railman's Football Yearbook 1957-58* is an annual that has now been going for seven years. It remains the best and most com-

BY H. A. N. BROCKMAN

Here is the definitive biography of a great British architect familiarly known as Norman Shaw (1831-1912). The result of the deep research into his life and times and also the many works and commissions he carried out is meticulously set down in this well written book.

For instance, in the chapter on the Country House he writes: "To understand the styles of late Victorian house building, we have also to understand the styles the Victorians themselves imitated." There then follows the functional explanation of the use of vernacular building materials and their occasional misrepresentation: the hanging for purely decorative purposes whereas it was originally used as a weather-protection over exposed lath and plaster walls.

worthy memorial of one of this country's great architects.

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OF DEPARTMENT STORES—  
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**1977**  
**6th edition**

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## **OIL RESOURCES**

**who gets what how?**

Kenneth W. Dam's new book is concerned with alternative policies toward the licensing of private companies to exploit government-owned petroleum resources. A large part of the book is a detailed retrospective analysis of the history of British petroleum and gas exploitation in the North Sea, published November, 1975.

The University of Chicago Press 136 Buckingham Palace Road  
London, SW1

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## FARMING AND RAW MATERIALS

## Wool values decline curbed

By Our Commodities Editor

THE Australian Wool Corporation continued yesterday that it was forced to step up support purchases to some 10 per cent of total offerings at the resumed wool auctions in an attempt to sustain prices at the pre-devaluation level of the dollar.

Prices for all types of wool are claimed to have closed well above the new "floor" levels indicated at 30 cents a kilo, compared with the new "floor" of 24 cents and last week's pre-devaluation close of 28 cents.

In terms of foreign currency, however, prices ranged between 14 to 14 per cent lower.

The biggest sale, was at the Newcastle, where the Australian Wool Corporation bought 21.5 per cent of the 21,141 bales on offer.

In devolved Australian dollar terms, prices were 16 per cent higher for merino and crossbred fleeces and 14 per cent for carpet wool, up for carding wools. But in foreign currency terms, prices were 5 to 10 per cent lower than previously.

Other Australian auctions, at Melbourne, Geelong, Albany and Albury showed a similar trend. In New Zealand, at the Auckland wool sale, prices were held up by strong buying competition from the New Zealand Wool Marketing Corporation.

In London, values eased again on the futures market reflecting the lower tone, in real terms, at the Australian auctions.

## British nickel prices lower

By Our Own Correspondent

U.K. NICKEL prices were lowered yesterday, reflecting the firmer tone in sterling during the last week of November. Inco Europe cut its price for electrolytic nickel and pellets to £3,286 a tonne, from £3,361 in November.

A similar decrease was announced by Entores for Le Nickel roundels.

The lower prices do not reflect the recent special discounts for ferro-nickel products, which cover orders before December 31 for deliveries in the first quarter of 1979. The Nickel have not officially announced any price cutting, but trade sources claim that a reduction of \$176 a tonne has been offered to contracted customers.

Sogemin said it has lowered the price for VMK cobalt metal supplied by Sogemin in the form of broken cathodes and granules to £6,615 from £7,015 a 1,000 kgs delivered works U.K.

The adjustment is due to the rise in the value of sterling.

## Copper hit by surprise cost reduction in U.S.

By JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES fell back on the London Metal Exchange yesterday, following overnight news of a surprise cut in the U.S. domestic copper price announced by Asarco (American Smelting and Refining Co.) Cash wirebars closed £12.25 down at \$742.5 a tonne.

London traders are doubtful about whether the major U.S. copper producers will follow the lead set by Asarco in cutting its domestic price from 70 to 65 cents a lb., effective immediately.

Asarco attributed the cut to the continued wide spreads between the price charged by U.S. producers supplying the bulk of consumers on regular contracts and the cheaper imported copper, based on LME quotations.

But after the market closed another major producer, Phelps Dodge, confirmed it was cutting prices by 5 cents. However, it also announced a cut-back in production by reducing its operating schedules at all its mines and concentrators to the equivalent of six days a week to five and a half days. Smelter output will be similarly reduced, the company said.

Asarco attributed the decision

to cut its copper to the continued wide spread between the price charged by U.S. producers supplying the bulk of domestic consumers on regular contracts and the cheaper imported copper, based on LME quotations.

It claimed the differential between U.S. produced and imported copper of between 12 and 13 cents a lb. was a "major" pressure on its regular domestic customers.

The swift decision by Phelps Dodge to follow Asarco's lead makes it virtually certain that all producers will be forced to cut prices to the lower level, albeit very reluctantly in some cases where production costs are above average.

It was generally believed that the U.S. copper producers would be anxious to avoid if at all possible cutting prices officially in view of the apprehensions about a price "freeze" when the Carter Administration takes office next year. A motive thought to be behind the moves by U.S. steel and aluminium producers to raise their prices.

Nevertheless, there is little doubt that the growing world surplus of copper supplies, and lack of real growth in demand, has made the U.S. into a highly competitive market.

Latest figures issued by the American Bureau of Metal Statistics yesterday showed that U.S. refined copper stocks rose by 16,700 to 372,800 short tons in October, compared with 314,900 in October 1977.

The Bureau estimated that the grand total of copper stocks in the U.S. and Japan and the London Metal Exchange was 1,175,400 short tons against 1,013,500 at the same time last year. Since then, stocks have risen with LME stocks alone up by nearly 20,000 tons in the past month.

Meanwhile, market prices have come under pressure in Santiago of the Council of Copper Exporting Countries (Cipec) except a reported proposal by Chile for a permanent advisory body to be set up to advise members on policy decisions.

But it can be expected that the Asarco price cut will feature prominently in the proposed discussions on ways to stabilise the world copper price in view of the prospect of a move to still lower levels.

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## Frost may hit sugar beet crop

By Our Commodities Editor

BRITISH SUGAR growers have been advised to harvest the rest of their beet crop as quickly as possible because of a threat of frost damage.

The British Sugar Corporation has told farmers that the following recent heavy rains has made the 23 per cent of the crop still to be lifted particularly susceptible to frost damage.

Overall, the BSC still estimates this year's crop will produce 875,000 to 925,000 tonnes of sugar compared with 860,000 last year. Meanwhile, Reuters has reported from Paris that the French Beet Sugar Association estimated this year's sugar output at 2,650,000 tonnes compared with 2,590,000 last year.

In Brussels, the EEC Commission announced it had authorised sales of 19,000 tonnes of sugar from intervention stocks in Belgium. This helps to pull down the price in the London terminal market by about £2 a ton. The London daily price for raw sugar was also fixed £2 lower at £120 a ton.

## Cocoa and coffee higher

By Our Commodities Staff

COFFEE and cocoa markets ended with gains yesterday after a day of fluctuation.

Cocoa opened limit-up and values climbed to a peak of £1,810 before easing back. At 10.15, the market closed at £1,790 a tonne, up £27.50 on the day. The early firmness in the market was put down to reaction to the recent sharp fall in values which market observers felt had been somewhat overdone.

Robusta coffee prices also closed off the day's highs of £2,421 a tonne, again after a sharp movement upwards in compensation for the previous day's falls. At the close, March coffee also showed a gain of £27 at £2,400.5 a tonne.

## METAL TRADING FEARS EASED

By Peter Bullen

Mr. L. Lubett, chairman of the Minor Metals Traders Association, confirmed yesterday that the loss of confidence among private growers, who have cut back plantings, the Forestry Commission of Great Britain has told the Government.

Eventually, this would represent timber worth £165m, which is substituted by imported timber and the Government could add £600m to the

## SOUTH AFRICA

## Downturn in U.K. hits canned fruit sales

By JOHN STEWART, CAPE TOWN CORRESPONDENT

SEVERE LIQUIDITY problems experienced by the South African fruit and vegetable canning industry are directly related to adverse conditions on the British market on which it depends for more than 60 per cent of its deciduous fruit pack sales.

The industry is more than 85 per cent dependent on exports, with sales in Britain yielding about R50m. out of total export earnings of about R80m.

Conditions this year are marginally better than 1977 when sales in the U.K. fell by 25.30 per cent, leaving South African canners with an embarrassingly large stock carry-over into the 1978 season. But the prospect of another big carry-over looms large unless the U.K. off-take quickens dramatically from now until Christmas.

The industry's main problem lies in the fact that although it sells forward almost the entire export pack at or near the start of each new season, shipment of the goods to U.K. is made piecemeal and when required by buyers, who are consequently holding large stocks. At the same time, British buyers in nearly all cases only pay for purchases after they have been sold.

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facility, which currently stands at R10m., by a few million rands to keep going until the 1978 pack has been paid for in full. Increased operating capital will also be required to meet increased production costs in the 1977-78 season, which is about to start when early varieties of apricots are delivered to canneries.

The cost of labour and cans will probably rise about 20 per cent, while sugar producers will be asking 47 per cent more for the 80,000 tonnes consumed by the industry annually.

But canners say the problems are due mainly to involuntary price rises on the British market flowing from unfavourable exchange rates between sterling and the Rand. The 18 per cent devaluation of the rand in September last year helped for a brief period to stimulate U.K. sales before faltering and slowing once again as the pound's price added to canners' problems of price resistance in Britain is the Common External Tariff (CET) against third country imports, which has been raised another notch and currently stands at 19.2 per cent in respect of canned peaches and apricots and 20 per cent on pears.

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This, in turn, sharpens the competitive position of substitute deserts such as ice cream and confectionery, which is the cost spiral will come on December 27 when the industry's customary carrier—the South and South-East African conference lines—will raise freight rates 15 per cent.

Moreover, all these factors greatly improve the competitive position of Greek and Spanish canners whose special relationship with the EEC, as well as their geographic advantage, will give them a substantial price edge over South African offerings.

Although most of the industry's problems in South Africa were foreseen in the early 1960s when the first attempt was made to get Britain into Europe, it has not been possible to reduce heavy reliance on U.K. and European markets to any marked extent.

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## Trawlers advised to leave

By Our Foreign Staff

SIXTEEN BRITISH deep sea trawlers from Humberside and Scotland were expected to stop their nets and leave Icelandic fishing grounds by midnight yesterday.

They were advised by radio from British Government ships to leave because of the expiry of Britain's fishing agreement with Iceland at midnight which ended the third cod war six months ago.

British Government sources emphasised that nothing legally can be done to stop a trawler from continuing to fish inside Iceland's 200-mile zone. But if Iceland's 200-mile zone, which it will be at his own risk since he could face confrontations with Iceland's coastguard and will not have the Royal Navy to protect him.

Industry sources said they thought all skippers would obey orders of their companies and pull out.

The loss of Icelandic fishing grounds could mean unemployment for some fishermen and support workers in Hull, Grimsby and Fleetwood.

EEC officials in Brussels were reported hopeful that when talks resume in two weeks' time, Iceland will agree to at least some British trawlers returning to the grounds.

There are political problems for the Reykjavik Government in allowing continued foreign fishing, but there is optimism that around 12 trawlers could be permitted to operate inside Iceland's 200-mile limit under a new agreement. This is half the number allowed under the old Pact.

Our Oslo correspondent writes: Norwegian Fishing Limits Minister, Mr. Jens Evensen, today gave a sharp hint that Norway may soon move to regulate fishing around the Svalbard (Spitzbergen) archipelago over which it has sovereignty, in order to protect resources from an invasion by trawlers excluded from the newly-established 200-mile zone.

"Under no circumstances," he told the Storting (Parliament), "will the Government be able to countenance... unrestricted fishing, and a significant interference of foreign fishing endeavours, to these young-fish fields which are so important for the Norwegian Arctic cod population."

Even so, pessimists about the recent general break-down of organised international co-operation regarding exploitation of marine resources, the UN Law of the Sea Conference was at a standstill, and it appeared to be very difficult to assemble a large enough majority for a new international treaty.

The Norwegian authorities are concerned, too, at the failure of last week's meeting of the North East Atlantic Fisheries Commission. (The talks, in London, to give a sharp hint that Norway may soon move to regulate fishing around the Svalbard (Spitzbergen) archipelago over which it has sovereignty, in order to protect resources from an invasion by trawlers excluded from the newly-established 200-mile zone.

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## COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER—Wooler on the London Metal Exchange following the reduction in the U.S. of the Asarco producer price, which immediately depressed sentiment. Forward metal slipped from 277, having been sharply lower in the morning with some speculative short selling. In the afternoon, however, market steadied as prices fell to £274.50. The market was lower, the Asarco producer price was lower, the market found some stability at lower levels. In

COPPER	Official	Unofficial	Three months
Wirebars	274.5	274.5	274.5
Cash	274.5	274.5	274.5
Three months	274.5	274.5	274.5
Settle	274.5	274.5	274.5
Cathodes	274.5	274.5	274.5
Settle	274.5	274.5	274.5
U.S. Mint	274.5	274.5	274.5

LEAD	Official	Unofficial	Three months
Wirebars	274.5	274.5	274.5
Cash	274.5	274.5	274.5
Three months	274.5	274.5	274.5
Settle	274.5	274.5	274.5
Cathodes	274.5	274.5	274.5
Settle	274.5	274.5	274.5
U.S. Mint	274.5	274.5	274.5

ZINC	Official	Unofficial	Three months
Wirebars	274.5	274.5	274.5
Cash	274.5	274.5	274.5
Three months	274.5	274.5	274.5
Settle	274.5	274.5	274.5
Cathodes	274.5	274.5	274.5
Settle	274.5	274.5	274.5
U.S. Mint	274.5	274.5	274.5

NICKEL	Official	Unofficial	Three months
Wirebars	274.5	274.5	274.5
Cash	274.5	274.5	274.5
Three months	274.5	274.5	274.5
Settle	274.5	274.5	274.5
Cathodes	274.5	274.5	274.5
Settle	274.5	274.5	274.5
U.S. Mint	274.5	274.5	274.5

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## STOCK EXCHANGE REPORT

# Quietly firm trend prompted by fresh rise in pound

## Share index up 3.7 at 301.3—Gilt-edged improve

Account Dealing Dates

Option  
First Declared Last Account  
Dealings (ons) Dealings Day  
Nov. 15 Nov. 25 Nov. 26 Dec. 1  
Nov. 22 Dec. 9 Dec. 10 Dec. 21  
Dec. 13 Dec. 30 Dec. 31 Jan. 12

\*First Declared Last Account  
Dealings (ons) Dealings Day  
Nov. 15 Nov. 25 Nov. 26 Dec. 1  
Nov. 22 Dec. 9 Dec. 10 Dec. 21  
Dec. 13 Dec. 30 Dec. 31 Jan. 12

\*First Declared Last Account  
Dealings (ons) Dealings Day  
Nov. 15 Nov. 25 Nov. 26 Dec. 1  
Nov. 22 Dec. 9 Dec. 10 Dec. 21  
Dec. 13 Dec. 30 Dec. 31 Jan. 12

\*First Declared Last Account  
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Nov. 15 Nov. 25 Nov. 26 Dec. 1  
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Nov. 15 Nov. 25 Nov. 26 Dec. 1  
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Dec. 13 Dec. 30 Dec. 31 Jan. 12

ment could be at the lower end of recent estimates, but British Funds 1 higher almost immediately. After that, the market resumed its disposition of being prepared to await positive developments and traded even more quietly than in the past few days. The result was that closing gains were modest, although Treasury 93 per cent, 1981, managed a little more at 53.1, up 1/4. Corporations were generally 1/4 higher.

A slightly heavier volume of arbitrage selling lowered the investment currency premium to 117 1/2 per cent before a late demand on institutional account took it back up to the overnight rate of 119 per cent. Yesterday's SE conversion factor was 0.7149 (0.7166).

### Banks better

The big four banks took a turn for the better in this trading. Lloyds, 170p, and Midland, 210p, both improved 5, while Barclays added 4 at 202p, sentiment in the latter was helped by Press reports of a bullish broker's circular. Bank of Scotland gained 7 to 200p. Australian Banks, however, were still overshadowed by that country's 17 1/2 per cent currency devaluation. ANZ fell 15 more to 255p, making the week so far of 5p down. Bank of New South Wales shed 5 to 420p as did Commercial Bank of Australia, 203p, and also National Bank of Australasia, 195p. Apart from Union, which lost 5 to 355p, discounts were inclined harder. Allen Harvey and Rees put on 10 to 330p and Cater Ryder rose 5 to 195p.

A firmer trend developed in insurance but the volume of trade

left much to be desired. Sun Alliance added 5 to 310p as did C.E. Heath, to 280p.

After the previous day's late speculative spurt of 15 on renewed takeover speculation, Telford and Cobbold cheapened 5 to 135p on the absence of any bid developments. Allied edged for-

ward a penny to 49p, while Rasc Charlington held steady at 70p in front of today's preliminary results.

Buildings had little to commend them. The Australian-based A.V. Jennings reacted 7 further to a 1976 low on 101p. A.P. Cement shed 3 to 118p and R. Costa's gave up another 4 to 104p. Devels were suspended yesterday in Greece Organisation at 41p, pending the appointment of a receiver.

ICI fluctuated narrowly and closed 3 better at 285p. Elsewhere, Fisons improved 8 to 252p.

### Muirhead firm

Muirhead provided a minor feature in Electricals, rising 4 to 135p in response to the chairman's optimistic view of the company's prospects. BSR improved 3 to 80p, while Fye Holdings, 30p, and Ultra Electronic, 5p, and Thora

Electrical, 15p, all closed 2p higher. Philips Lamp, however, lost 9 to 35p for a two-day loss of 24. Rascal Electronics closed without alteration at 215p in front of today's interim statement.

Movements of any significance were few and far between in Stores. Gussies "A" hardened 3 to 135p, while Marks and Spencer, 51p, and Dixon's Photographic, 45p, put on 2 apiece. Kainers were lifted 3 to 44p, but Lee Cooper eased 2 further to 53p and Allied Retailers reacted 4 to 35p.

Stimulated by the German commercial court decision to allow the Sachs purchase, GKN rose 5 to 232p. Other Engineering leaders made a mixed showing and while Hawker put on 4 to 300p, Tube Investments remained at 57p. Desborough Bros. continued to attract speculative interest and gained 5 to 130p; demand of a similar nature lifted Spear and Jackson 4 to 34p, after 25p, where, good first-half results inspired an advance of 4 to 54p in S. Elliott and 2 more to 47p in Tescam, but Fairway, despite the higher profit forecast, eased from 51p to close unchanged on balance at 38p. Staveley moved up 4 to 134p, but Braxway came back 4 to 234p on country selling. Shipbuilding had Swan Hunter, 25p, standing again at 44p, up 5, still reflecting the half-yearly results.

In Foods, RHM, with preliminary figures due next Tuesday, improved 1 1/2 times better at 33p. Linford were noteworthy for a rise of 6 to 195p on small buying interest. Rectifiers, 45p, and Alpine Soft Drinks, a firm market of late, contrasted with a reaction of 2 to 63p following the interim figures.

Ladbroke returned to favour, rising 3 1/2 to 36p on fresh speculative support. Epicure hardened a penny to a 1976 peak of 28p, but Mount Charlotte, 5p, and

Swan Ryan, 51p, both closed marginally easier.

Largely thanks to the further improvement in sterling, the Miscellaneous Industrial leaders gained a modest rally yesterday in this trading. Becham fared best at 330p, up 8, while Glaxo rose 7 to 360p. Unilever gained 4 to 350p and Unilever added 3 to 350p. Pilkington Bros put on 3 to 230p; the interim results are due next Wednesday. Scottish and Universal Investments rose 4 to 34p on relief that the long-awaited results of the Stock Exchange Special Committee on the chairman Sir Hugh Fraser's share dealings is now out in the open.

Elsewhere, Avon Rubber added 7 to 74p, after 75p, in response to the better-than-expected preliminary results. A firm market last week on bid hopes, Gravid became popular again, rising 4 to 85p, while similar gains were recorded in Myson, 49p, and Robert McBride, 135p. A.A.F. Holdings picked up 3 at 16p. Kodes International were also 3 dearer at 44p, and UNO International Engineering closed 1 1/2 times better at 120p, after 119p, following the interim results. By way of contrast, Shell affected by the Australian 17 1/2 per cent currency devaluation, fell 10 to 560p.

Group Lotus continued firmly in Motors, rising 20p for a two-day gain of 7, while associated engineering closed 1 1/2 times better at 70p, after 71p, and the new nil-paid shares finished 1 1/2 better at 11p premium. British Car Ancelion, 21p at 35p, provided a further example of any consequence in Garages.

Thomson celebrated the North Sea Piper Field coming on stream with a rise of 8 to 345p to equal its 1976 peak among oil and gas companies with oil content. Daily Mail "A" gained 5 further to 185p being additionally helped by the increased half-yearly revenue, while Newspapers rallied 2 to 104p. Publishers were rarely changed apart from Morgan Gurney, 2 easier at 95p following the indication that the half-yearly profits forecast may prove little different to reach despite impressive interim figures.

Shippings met with a fair amount of inquiry and closed firmer, where changed. Common Bros. rose 10 more to a 1976 peak of 116p, still reflecting a bullish brokers' circular and the annual report. F. and O. Deere were up 10 to 160p, up 2, while Hammerhead "A", 260p, and Chesterfield, 124p, both up 10, while gains of 6 were common to Property Holdings, 139p, and Westland, 140p. Land and Army, 127p, were up 5 higher, but

Land Securities managed a rise of only 2 to 112p, after 114p. MEPC were the same amount dearer at 41p, while Great Portland, 125p, and Baskerville Estates, 40p, gained 4 apiece. Stock Conversion also moved up 4 to 133p, but Estates and Agency, after being closed 53p, opened a net 1 easier at 45p. Australian advice lowered Lease 20 further to 135p. Elsewhere, Carling put on 1 to 9p on the interim profits improvement.

Consistent sources became slightly nervous ahead of British Petroleum's third-quarter results, and sold modestly in a market lacking any real buying enthusiasm, consequently, BP fell back to end a net 10 lower at 738p, after 724p. Royal Dutch, too, were reactionary on overseas influences and lost 1 to 530p, but Shell edged forward 2 to 404p, after 406p. Berry Wiggin's, the subject of a recent broker's circular, recovered further to 20p prior to closing the turn harder at 19p, while Trient were a shade dearer at 72p. Domestic market trends continued to undermine Woodside-Burnham, a further 8 down at 90p, and Ranger, which fell 1 more to 51p.

Overseas Traders had several firm spots. St. Kitts (London) began steady with a rise of 18 to 170p in a thin market, on speculation about the forthcoming nationalisation terms. Lounie moved up 3 to 59p in front of preliminary figures, while Shire Darby improved similarly to 102p on hopes of an early settlement to the dispute with Pernas Securities. Against the trend, Australian Agricultural were active and 2 better at 101p in Financials where Williams Hudson added a like amount to 22p.

Investment Trusts were harder in places but the volume of business was small. Takeover hopes helped Great Northern put on 3 to 63p, while improvements of 3 to 5 were recorded in Jersey General, 133p, Scottish Ontario, 92p, and Second Alliance, 124p. Edinburgh Industrial were active and 2 better at 101p in Financials where Williams Hudson added a like amount to 22p.

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## FINANCIAL TIMES STOCK INDICES

	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	A Year
Government Secs.	88.25	88.10	88.24	88.36	88.28	88.58	58.15
Fixed Interest	87.95	87.84	88.01	87.91	87.96	87.98	36.56
Industrial Ordinary	301.3	297.6	302.4	300.8	302.0	300.0	366.1
Gold Mines	125.1	121.6	128.9	132.7	125.2	134.8	279.4
Ord. Div. Yield	7.45	7.35	7.22	7.31	7.22	7.38	5.23
Earning 1/4 of (half)	22.65	22.65	22.81	22.59	22.60	22.79	15.93
FTSE 100 (all 40)	6.46	6.46	6.47	6.48	6.48	6.42	9.13
Dealings marked	5,819	4,193	4,016	4,125	4,945	5,835	6.4
Equity turnover £m	45.11	38.58	45.41	40.80	41.99	64.4	
Equity turnover %	9.05	9.07	9.07	9.48	9.52	14.70	

10 a.m. 1976. 11 a.m. 1976. 12 noon 1976. 1 p.m. 1976.  
2 p.m. 1976. 3 p.m. 1976. 4 p.m. 1976. 5 p.m. 1976.  
(1) Based on 50 per cent corporation tax. (2) ND=Nil.  
Basis: 100 = 100.00. 100 = 100.00. 100 = 100.00. 100 = 100.00.  
Index 12/10/76. SE Activity (Index 1976)

	High	Low	Open	Close	High	Low	Open	Close
Govt. Secs.	88.25	88.10	88.24	88.36	88.28	88.58	189.9	181.7
Fixed Int.	87.95	87.84	88.01	87.91	87.96	87.98	120.5	129.9
Ind. Ord.	301.3	297.6	302.4	300.8	302.0	300.0	100.5	99.4
Gold Mines	125.1	121.6	128.9	132.7	125.2	134.8	169.2	170.7
	6.46	6.46	6.47	6.48	6.48	6.42	124.2	123.9
	24.85	22.65	22.81	22.59	22.60	22.79	85.5	87.5
	5,819	4,193	4,016	4,125	4,945	5,835	91.5	92.5

## HIGHS AND LOWS

	High	Low	Open	Close	High	Low	Open	Close
Govt. Secs.	88.25	88.10	88.24	88.36	88.28	88.58	189.9	181.7
Fixed Int.	87.95	87.84	88.01	87.91	87.96	87.98	120.5	129.9
Ind. Ord.	301.3	297.6	302.4	300.8	302.0	300.0	100.5	99.4
Gold Mines	125.1	121.6	128.9	132.7	125.2	134.8	169.2	170.7
	6.46	6.46	6.47	6.48	6.48	6.42	124.2	123.9
	24.85	22.65	22.81	22.59	22.60	22.79	85.5	87.5
	5,819	4,193	4,016	4,125	4,945	5,835	91.5	92.5

Courtaulds moved in a year's low of 675p, EZ Industries lost 25 to 225p and Politec 20 to 310p. Among Coals, Rank lost another 30 to 370p and Times 15 to 165p. New jobs for the year were at 180p in MIM Holdings at 180p which were both around 50p at 180p and 100p respectively. Cedar Mines were suspended at 35p pending the lifting of a trading suspension in Australia.

In contrast to Australians, South African Gold shares generally edged higher in quiet dealing, despite the uninspiring performance of the bullion price, which was finally 12 1/2 cents harder at \$130.625 per ounce. A modest interest in rate trading enabled Randfontein to put on a point 5 1/2 to 510p. Buffels improved 10 to 50p, despite the reduced interest in the gold. The Gold Mines index gained 0.5 to 132.1.

Elsewhere, Canadian issues further ground following the week's weakness of the Canadian dollar. Northern dropped more to 340p and Sabina closed 6 down at a year's low of 84p.

## Australians cheerless

The dismal performance of Australian mining shares following Sunday's 17 1/2 per cent devaluation continued unabated yesterday, mirroring the weather sharp decline in overseas Sydney and Melbourne markets.

Prices moved lower across the board and although trading was only moderate, small offerings were sufficient to leave them around the day's lowest levels. Uranium was unaffected by reports that eighteen key unions involved in the mining and handling of uranium in Australia had decided to recommend that overseas contracts should be entered for the supply of uranium oxides should be honoured. Pancontinental dropped 75 more to 225p.

## NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Financial Times were new highs and lows for 1976.

	High	Low	Open	Close	High	Low	Open	Close
Govt. Secs.	88.25	88.10	88.24	88.36	88.28	88.58	189.9	181.7
Fixed Int.	87.95	87.84	88.01	87.91	87.96	87.98	120.5	129.9
Ind. Ord.	301.3	297.6	302.4	300.8	302.0	300.0	100.5	99.4
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	6.46	6.46	6.47	6.48	6.48	6.42	124.2	123.9
	24.85	22.65	22.81	22.59	22.60	22.79	85.5	87.5
	5,819	4,193	4,016	4,125	4,945	5,835	91.5	92.5

## BASE LENDING RATES

	High	Low	Open	Close	High	Low	Open	Close
Govt. Secs.	88.25	88.10	88.24	88.36	88.28	88.58	189.9	181.7
Fixed Int.	87.95	87.84	88.01	87.91	87.96	87.98	120.5	129.9
Ind. Ord.	301.3	297.6	302.4	300.8	302.0	300.0	100.5	99.4
Gold Mines	125.1	121.6	128.9	132.7	125.2	134.8	169.2	170.7
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	24.85	22.65	22.81	22.59	22.60	22.79	85.5	87.5
	5,819	4,193	4,016	4,125	4,945	5,835	91.5	92.5

## NEW LOWS (36)

	High	Low	Open	Close	High	Low	Open	Close
Govt. Secs.	88.25	88.10	88.24	88.36	88.28	88.58	189.9	181.7
Fixed Int.	87.95	87.84	88.01	87.91	87.96	87.98	120.5	129.9
Ind. Ord.	301.3	297.6	302.4	300.8	302.0	300.0	100.5	99.4
Gold Mines	125.1	121.6	128.9	132.7	125.2	134.8	169.2	170.7
	6.46	6.46	6.47	6.48	6.48	6.42	124.2	123.9
	24.85	22.65	22.81	22.59	22.60	22.79	85.5	87.5
	5,819	4,193	4,016	4,125	4,945	5,835	91.5	92.5

## RISES AND FALLS YESTERDAY

	High	Low	Open	Close	High	Low	Open	Close
Govt. Secs.	88.25	88.10	88.24	88.36	88.28	88.58	189.9	181.7
Fixed Int.	87.95	87.84	88.01	87.91	87.96	87.98	120.5	129.9
Ind. Ord.	301.3	297.6	302.4	300.8	302.0	300.0	100.5	99.4
Gold Mines	125.1	121.6	128.9	132.7	125.2	134.8	169.2	170.7
	6.46	6.46	6.47	6.48	6.48	6.42	124.2	123.9
	24.85	22.65	22.81	22.59	22.60	22.79	85.5	87.5
	5,819	4,193	4,016	4,125	4,945	5,835	91.5	92.5

## MONEY MARKET

Bank of England Minimum Lending Rate 14 1/2 per cent. (since November 19, 1976).

The authorities underlined their stance on interest rates yesterday by indicating that the London money market that the reduction in Bank of England Minimum Lending Rate would not be welcomed on Friday. They said that the market was in a position to lend a small amount to eight or nine discount houses, for seven days at Minimum Lending up of Treasury bills, and repay-

ment was made of the previous day's advances to the market. Discount houses about 14 1/2 per cent for secured call loans in the early part, and closing balances were taken at 14 1/2 per cent.

In the interbank market overnight loans opened at 14 1/2 per cent, and closed to 14 1/2 per cent at lunch, before touching 14 1/2 per cent in the afternoon, and closing at 15 per cent. Rates in the table below are nominal in some cases.

	High	Low	Open	Close	High	Low	Open	Close
Govt. Secs.	88.25	88.10	88.24	88.36	88.28	88.58	189.9	181.7
Fixed Int.	87.95	87.84	88.01	87.91	87.96	87.98	120.5	129.9
Ind. Ord.	301.3	297.6	302.4	300.8	302.0	300.0	100.5	99.4
Gold Mines	125.1	121.6	128.9	132.7	125.2	134.8	169.2	170.7
	6.46	6.46	6.47	6.48	6.48	6.42	124.2	123.9
	24.85	22.65	22.81	22.59	22.60	22.79	85.5	87.5
	5,819	4,193	4,016	4,125	4,945	5,835	91.5	92.5

## CORAL INDEX

Close 301.30



## AUTHORISED UNIT TRUSTS

دليل الاستثمار

<b>Abney Unit Tr. Mgrs. Ltd. (a)(g)</b> 12-30, Grosvenor Rd., Aylesbury. Abney Capital 100.00 Abney Income 100.00 Abney Growth 100.00 Abney Div. 100.00 Abney Bond 100.00 Abney Equity 100.00 Abney Property 100.00 Abney Art 100.00 Abney Jewellery 100.00 Abney Collectables 100.00 Abney Fine Art 100.00 Abney Rare Books 100.00 Abney Manuscripts 100.00 Abney Stamps 100.00 Abney Coins 100.00 Abney Medals 100.00 Abney Jewellery 100.00 Abney Collectables 100.00 Abney Fine Art 100.00 Abney Rare Books 100.00 Abney Manuscripts 100.00 Abney Stamps 100.00 Abney Coins 100.00 Abney Medals 100.00	<b>Allied Hambro Group (a)(g)</b> 10, Queen St., London, E.C.2. Allied Income 100.00 Allied Growth 100.00 Allied Div. 100.00 Allied Bond 100.00 Allied Equity 100.00 Allied Property 100.00 Allied Art 100.00 Allied Jewellery 100.00 Allied Collectables 100.00 Allied Fine Art 100.00 Allied Rare Books 100.00 Allied Manuscripts 100.00 Allied Stamps 100.00 Allied Coins 100.00 Allied Medals 100.00	<b>British Life Office Ltd. (a)</b> 10, Queen St., London, E.C.2. British Life Income 100.00 British Life Growth 100.00 British Life Div. 100.00 British Life Bond 100.00 British Life Equity 100.00 British Life Property 100.00 British Life Art 100.00 British Life Jewellery 100.00 British Life Collectables 100.00 British Life Fine Art 100.00 British Life Rare Books 100.00 British Life Manuscripts 100.00 British Life Stamps 100.00 British Life Coins 100.00 British Life Medals 100.00	<b>Bridge Fund Managers (a)(g)</b> 10, Queen St., London, E.C.2. Bridge Income 100.00 Bridge Growth 100.00 Bridge Div. 100.00 Bridge Bond 100.00 Bridge Equity 100.00 Bridge Property 100.00 Bridge Art 100.00 Bridge Jewellery 100.00 Bridge Collectables 100.00 Bridge Fine Art 100.00 Bridge Rare Books 100.00 Bridge Manuscripts 100.00 Bridge Stamps 100.00 Bridge Coins 100.00 Bridge Medals 100.00	<b>G.T. Unit Managers Ltd. (a)(g)</b> 10, Queen St., London, E.C.2. G.T. Income 100.00 G.T. Growth 100.00 G.T. Div. 100.00 G.T. Bond 100.00 G.T. Equity 100.00 G.T. Property 100.00 G.T. Art 100.00 G.T. Jewellery 100.00 G.T. Collectables 100.00 G.T. Fine Art 100.00 G.T. Rare Books 100.00 G.T. Manuscripts 100.00 G.T. Stamps 100.00 G.T. Coins 100.00 G.T. Medals 100.00	<b>Kleinwort Benson Unit Managers (a)(g)</b> 10, Queen St., London, E.C.2. Kleinwort Income 100.00 Kleinwort Growth 100.00 Kleinwort Div. 100.00 Kleinwort Bond 100.00 Kleinwort Equity 100.00 Kleinwort Property 100.00 Kleinwort Art 100.00 Kleinwort Jewellery 100.00 Kleinwort Collectables 100.00 Kleinwort Fine Art 100.00 Kleinwort Rare Books 100.00 Kleinwort Manuscripts 100.00 Kleinwort Stamps 100.00 Kleinwort Coins 100.00 Kleinwort Medals 100.00	<b>Merrill Lynch Unit Managers Ltd. (a)(g)</b> 10, Queen St., London, E.C.2. Merrill Income 100.00 Merrill Growth 100.00 Merrill Div. 100.00 Merrill Bond 100.00 Merrill Equity 100.00 Merrill Property 100.00 Merrill Art 100.00 Merrill Jewellery 100.00 Merrill Collectables 100.00 Merrill Fine Art 100.00 Merrill Rare Books 100.00 Merrill Manuscripts 100.00 Merrill Stamps 100.00 Merrill Coins 100.00 Merrill Medals 100.00	<b>Piccadilly Unit Tr. Mgrs. Ltd. (a)(b)</b> 10, Queen St., London, E.C.2. Piccadilly Income 100.00 Piccadilly Growth 100.00 Piccadilly Div. 100.00 Piccadilly Bond 100.00 Piccadilly Equity 100.00 Piccadilly Property 100.00 Piccadilly Art 100.00 Piccadilly Jewellery 100.00 Piccadilly Collectables 100.00 Piccadilly Fine Art 100.00 Piccadilly Rare Books 100.00 Piccadilly Manuscripts 100.00 Piccadilly Stamps 100.00 Piccadilly Coins 100.00 Piccadilly Medals 100.00	<b>J. Henry Schroder Wagg &amp; Co. Ltd. (a)(b)</b> 10, Queen St., London, E.C.2. J. Henry Income 100.00 J. Henry Growth 100.00 J. Henry Div. 100.00 J. Henry Bond 100.00 J. Henry Equity 100.00 J. Henry Property 100.00 J. Henry Art 100.00 J. Henry Jewellery 100.00 J. Henry Collectables 100.00 J. Henry Fine Art 100.00 J. Henry Rare Books 100.00 J. Henry Manuscripts 100.00 J. Henry Stamps 100.00 J. Henry Coins 100.00 J. Henry Medals 100.00	<b>Target Trust Mgrs. (Scotland) Ltd. (a)(b)</b> 10, Queen St., London, E.C.2. Target Income 100.00 Target Growth 100.00 Target Div. 100.00 Target Bond 100.00 Target Equity 100.00 Target Property 100.00 Target Art 100.00 Target Jewellery 100.00 Target Collectables 100.00 Target Fine Art 100.00 Target Rare Books 100.00 Target Manuscripts 100.00 Target Stamps 100.00 Target Coins 100.00 Target Medals 100.00
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## INSURANCE, PROPERTY, BONDS

## REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London stock exchange. Most of which are quoted in London, are shown separately with prices as of the first exchange.

Region	Share	Price
London	Abney Capital	100.00
London	Abney Income	100.00
London	Abney Growth	100.00
London	Abney Div.	100.00
London	Abney Bond	100.00
London	Abney Equity	100.00
London	Abney Property	100.00
London	Abney Art	100.00
London	Abney Jewellery	100.00
London	Abney Collectables	100.00
London	Abney Fine Art	100.00
London	Abney Rare Books	100.00
London	Abney Manuscripts	100.00
London	Abney Stamps	100.00
London	Abney Coins	100.00
London	Abney Medals	100.00

## LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 31, 1975, in the principal equity sections of the F.T. Accumulation Share Index. It also contains the F.T. Gold Mines Index.

Index	Change
FT. Accumulation Share Index	+2.35
FT. Gold Mines Index	+1.15
FT. Industrial Index	+1.15
FT. Commercial Index	+1.15
FT. Financial Index	+1.15
FT. Real Estate Index	+1.15
FT. Transport Index	+1.15
FT. Utilities Index	+1.15
FT. Consumer Goods Index	+1.15
FT. Healthcare Index	+1.15
FT. Technology Index	+1.15
FT. Energy Index	+1.15
FT. Materials Index	+1.15
FT. Telecommunications Index	+1.15
FT. Media Index	+1.15
FT. Retail Index	+1.15
FT. Food Index	+1.15
FT. Beverages Index	+1.15
FT. Pharmaceuticals Index	+1.15
FT. Chemicals Index	+1.15
FT. Metals Index	+1.15
FT. Mining Index	+1.15
FT. Oil Index	+1.15
FT. Gas Index	+1.15
FT. Water Index	+1.15
FT. Nuclear Index	+1.15
FT. Space Index	+1.15
FT. Defense Index	+1.15
FT. Aerospace Index	+1.15
FT. Shipbuilding Index	+1.15
FT. Ship Index	+1.15
FT. Aircraft Index	+1.15
FT. Motor Vehicle Index	+1.15
FT. Transport Equipment Index	+1.15
FT. Machinery Index	+1.15
FT. Electrical Equipment Index	+1.15
FT. Electronic Equipment Index	+1.15
FT. Office Equipment Index	+1.15
FT. Household Goods Index	+1.15
FT. Furniture Index	+1.15
FT. Textiles Index	+1.15
FT. Clothing Index	+1.15
FT. Footwear Index	+1.15
FT. Leather Goods Index	+1.15
FT. Jewellery Index	+1.15
FT. Watches Index	+1.15
FT. Clocks Index	+1.15
FT. Toys Index	+1.15
FT. Games Index	+1.15
FT. Books Index	+1.15
FT. Music Index	+1.15
FT. Film Index	+1.15
FT. Television Index	+1.15
FT. Radio Index	+1.15
FT. Press Index	+1.15
FT. Publishing Index	+1.15
FT. Advertising Index	+1.15
FT. Marketing Index	+1.15
FT. Sales Index	+1.15
FT. Distribution Index	+1.15
FT. Logistics Index	+1.15
FT. Warehousing Index	+1.15
FT. Transport Index	+1.15
FT. Utilities Index	+1.15
FT. Energy Index	+1.15
FT. Materials Index	+1.15
FT. Telecommunications Index	+1.15
FT. Media Index	+1.15
FT. Retail Index	+1.15
FT. Food Index	+1.15
FT. Beverages Index	+1.15
FT. Pharmaceuticals Index	+1.15
FT. Chemicals Index	+1.15
FT. Metals Index	+1.15
FT. Mining Index	+1.15
FT. Oil Index	+1.15
FT. Gas Index	+1.15
FT. Water Index	+1.15
FT. Nuclear Index	+1.15
FT. Space Index	+1.15
FT. Defense Index	+1.15
FT. Aerospace Index	+1.15
FT. Shipbuilding Index	+1.15
FT. Ship Index	+1.15
FT. Aircraft Index	+1.15
FT. Motor Vehicle Index	+1.15
FT. Transport Equipment Index	+1.15
FT. Machinery Index	+1.15
FT. Electrical Equipment Index	+1.15
FT. Electronic Equipment Index	+1.15
FT. Office Equipment Index	+1.15
FT. Household Goods Index	+1.15
FT. Furniture Index	+1.15
FT. Textiles Index	+1.15
FT. Clothing Index	+1.15
FT. Footwear Index	+1.15
FT. Leather Goods Index	+1.15
FT. Jewellery Index	+1.15
FT. Watches Index	+1.15
FT. Clocks Index	+1.15
FT. Toys Index	+1.15
FT. Games Index	+1.15
FT. Books Index	+1.15
FT. Music Index	+1.15
FT. Film Index	+1.15
FT. Television Index	+1.15
FT. Radio Index	+1.15
FT. Press Index	+1.15
FT. Publishing Index	+1.15
FT. Advertising Index	+1.15
FT. Marketing Index	+1.15
FT. Sales Index	+1.15
FT. Distribution Index	+1.15
FT. Logistics Index	+1.15
FT. Warehousing Index	+1.15

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### **HOTELS—Continued**

**\*\*BRITISH FUNDS**[illegible]

## CANADIANS

[illegible]**BUILDING INDUSTRY—Continued**[illegible]**DRAPERY AND STORES—Continued**[illegible]

## ENGINEERING—Continued

[illegible]

## INDUSTRIALS

	138	+6	111.0	251.24
Research	25		11.83	3.0
Inds	43	-1	2.6	4.7
Govt. Emp.	29		11.60	3.8
Lat.	18		Q1.0	5.6

### **EARNINGS AND FREE PURCHASE**

[illegible]

## ELECTRICAL AND RADIO

47	A.E. Electronic	51	+	4.51	2.13	1.36	0.4	
48	Allied Industries	51	+	4.51	2.13	1.36	0.4	
49	Audio Fidelity Inc.	51	+	4.51	2.13	1.36	0.4	
50	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
51	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
52	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
53	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
54	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
55	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
56	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
57	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
58	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
59	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
60	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
61	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
62	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
63	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
64	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
65	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
66	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
67	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
68	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
69	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
70	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
71	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
72	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
73	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
74	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
75	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
76	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
77	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
78	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
79	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
80	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
81	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
82	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
83	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
84	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
85	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
86	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
87	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
88	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
89	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
90	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
91	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
92	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
93	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
94	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
95	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	
96	Audio Research Corp.	51	+	4.51	2.13	1.36	0.4	

## CHEMICALS, PLASTICS

875	Algo NY 120.00	875	59	12.75	3.8	8.1	6.1
876	Algonquin 120.00	876	59	12.75	3.8	8.1	6.1
877	Algonquin 120.00	877	59	12.75	3.8	8.1	6.1
878	Algonquin 120.00	878	59	12.75	3.8	8.1	6.1
879	Algonquin 120.00	879	59	12.75	3.8	8.1	6.1
880	Algonquin 120.00	880	59	12.75	3.8	8.1	6.1
881	Algonquin 120.00	881	59	12.75	3.8	8.1	6.1
882	Algonquin 120.00	882	59	12.75	3.8	8.1	6.1
883	Algonquin 120.00	883	59	12.75	3.8	8.1	6.1
884	Algonquin 120.00	884	59	12.75	3.8	8.1	6.1
885	Algonquin 120.00	885	59	12.75	3.8	8.1	6.1
886	Algonquin 120.00	886	59	12.75	3.8	8.1	6.1
887	Algonquin 120.00	887	59	12.75	3.8	8.1	6.1
888	Algonquin 120.00	888	59	12.75	3.8	8.1	6.1
889	Algonquin 120.00	889	59	12.75	3.8	8.1	6.1
890	Algonquin 120.00	890	59	12.75	3.8	8.1	6.1
891	Algonquin 120.00	891	59	12.75	3.8	8.1	6.1
892	Algonquin 120.00	892	59	12.75	3.8	8.1	6.1
893	Algonquin 120.00	893	59	12.75	3.8	8.1	6.1
894	Algonquin 120.00	894	59	12.75	3.8	8.1	6.1
895	Algonquin 120.00	895	59	12.75	3.8	8.1	6.1
896	Algonquin 120.00	896	59	12.75	3.8	8.1	6.1
897	Algonquin 120.00	897	59	12.75	3.8	8.1	6.1
898	Algonquin 120.00	898	59	12.75	3.8	8.1	6.1
899	Algonquin 120.00	899	59	12.75	3.8	8.1	6.1
900	Algonquin 120.00	900	59	12.75	3.8	8.1	6.1

## ENGINEERING. MACHINE TOOLS

67	J&E Machinery	72	2.75	3.5	5.9	7.4	14
398	A.P.V. 50	228	12.0	4.0	7.1	5.2	11
54	Acrow (Cables)	61	20.22	3.0	5.2	5.5	25
39	D. G.	46	11	12.03	3.9	6.9	7.4
120	Adwest Group	125	3	6.94	3.8	5.5	4.8
545	Alma P. Co. INC	558	Q99	132			137
11	Allen (C) Balfour	49ml	41.33	7.5	13.6	6.6	4.5
22	Allen W.G.	39	2.53	3.4	13.0	3.5	45
22	Aluminium Corp.	44	2.95	1.6	10.5	9.5	63

## CINEMAS THEATRES AND TV

CINEMAS, THEATRES AND TV									
67	Anglo TV "A"	76	-1	6.8	1.913.8	58	15	64	38
68	Anglo TV "A"	82	6	6.5	1.912.7	60	18	63	40
13	C. Mexican "A" 10p	20	+1	11.62	2.512.5	4.9	83	80	33
9	Edw. Wd 23p	112	2				69	69	
30	It. TV	43		5.0	1.817.9	4.7	123		
17	Paoli TV 2nd 10	58		5.95	2.615.8		91	91	
58	Scand. TV "A" 10p	22		7.13	2.5	9.3	3.4	72	72
15	Trid. TV "A" 10p	12		12.11	3.3	9.3	11.8	57	57
21	U. S. TV	26	+2	7.5	2.417.7	5.2	52	52	
11	U. S. TV 10p	33	+3	1.5	4.817.1	5.9	72	72	

## DRAPERY AND STORES

DEPARTY AND STORES		64					
52	Allied Retail 10p	55	4.63	1.9013.5	2.9	156	
17	Amber Day 10p	20	1.173	2.5014.3	4.1	27	
17	Amusement 5p	18	1.24	2.4	9.6	6.6	32
22	Do 'A' 5p	18	1.24	2.610.6	5.9	194	
22	Adreentice 10p	18	3.25	9.227.7	7.7	30	
18	Baker's 52p. 10p	18	10.69	3.4	5.3	125	
18	Beater (J) 'A'	18	-1	3.77	3.4	6.2	62
18	Beater (J) 'A'	18	1.06	2.6	6.6	6.2	62
26	Bloom. C. Con. 5p	31	17	13.15	2.15	6.7	110
26	Bloom. C. 5p	7	1.28	2.07	3.5	5.0	

## FOOD, GROCERIES, ETC.

[illegible]

**AMERICANS** .

[illegible]

## BUILDING INDUSTRY, TIMBER

AND ROADS			
41	12.75	4.04	24
40	12.75	4.04	24
39	12.75	4.04	24
38	12.75	4.04	24
37	12.75	4.04	24
36	12.75	4.04	24
35	12.75	4.04	24
34	12.75	4.04	24
33	12.75	4.04	24
32	12.75	4.04	24
31	12.75	4.04	24
30	12.75	4.04	24
29	12.75	4.04	24
28	12.75	4.04	24
27	12.75	4.04	24
26	12.75	4.04	24
25	12.75	4.04	24
24	12.75	4.04	24
23	12.75	4.04	24
22	12.75	4.04	24
21	12.75	4.04	24
20	12.75	4.04	24
19	12.75	4.04	24
18	12.75	4.04	24
17	12.75	4.04	24
16	12.75	4.04	24
15	12.75	4.04	24
14	12.75	4.04	24
13	12.75	4.04	24
12	12.75	4.04	24
11	12.75	4.04	24
10	12.75	4.04	24
9	12.75	4.04	24
8	12.75	4.04	24
7	12.75	4.04	24
6	12.75	4.04	24
5	12.75	4.04	24
4	12.75	4.04	24
3	12.75	4.04	24
2	12.75	4.04	24
1	12.75	4.04	24

### DRAPERY AND STORES

DEPART		ARRIVE		STOCKS	
52	14	Alfred Retail Wp	55	14	4.83
51	14	Amber Day Wp	56	14	11.75
50	14	Amber Day Wp	57	14	2.24
49	14	Do "A" Wp	58	14	1.24
48	14	Do "A" Wp	59	14	1.24
47	14	Do "A" Wp	60	14	1.24
46	14	Do "A" Wp	61	14	1.24
45	14	Do "A" Wp	62	14	1.24
44	14	Do "A" Wp	63	14	1.24
43	14	Do "A" Wp	64	14	1.24
42	14	Do "A" Wp	65	14	1.24
41	14	Do "A" Wp	66	14	1.24
40	14	Do "A" Wp	67	14	1.24
39	14	Do "A" Wp	68	14	1.24
38	14	Do "A" Wp	69	14	1.24
37	14	Do "A" Wp	70	14	1.24
36	14	Do "A" Wp	71	14	1.24
35	14	Do "A" Wp	72	14	1.24
34	14	Do "A" Wp	73	14	1.24
33	14	Do "A" Wp	74	14	1.24
32	14	Do "A" Wp	75	14	1.24
31	14	Do "A" Wp	76	14	1.24
30	14	Do "A" Wp	77	14	1.24
29	14	Do "A" Wp	78	14	1.24
28	14	Do "A" Wp	79	14	1.24
27	14	Do "A" Wp	80	14	1.24
26	14	Do "A" Wp	81	14	1.24
25	14	Do "A" Wp	82	14	1.24
24	14	Do "A" Wp	83	14	1.24
23	14	Do "A" Wp	84	14	1.24
22	14	Do "A" Wp	85	14	1.24
21	14	Do "A" Wp	86	14	1.24
20	14	Do "A" Wp	87	14	1.24
19	14	Do "A" Wp	88	14	1.24
18	14	Do "A" Wp	89	14	1.24
17	14	Do "A" Wp	90	14	1.24
16	14	Do "A" Wp	91	14	1.24
15	14	Do "A" Wp	92	14	1.24
14	14	Do "A" Wp	93	14	1.24
13	14	Do "A" Wp	94	14	1.24
12	14	Do "A" Wp	95	14	1.24
11	14	Do "A" Wp	96	14	1.24
10	14	Do "A" Wp	97	14	1.24
9	14	Do "A" Wp	98	14	1.24
8	14	Do "A" Wp	99	14	1.24
7	14	Do "A" Wp	100	14	1.24
6	14	Do "A" Wp	101	14	1.24
5	14	Do "A" Wp	102	14	1.24
4	14	Do "A" Wp	103	14	1.24
3	14	Do "A" Wp	104	14	1.24
2	14	Do "A" Wp	105	14	1.24
1	14	Do "A" Wp	106	14	1.24
	14	Do "A" Wp	107	14	1.24
	14	Do "A" Wp	108	14	1.24
	14	Do "A" Wp	109	14	1.24
	14	Do "A" Wp	110	14	1.24
	14	Do "A" Wp	111	14	1.24
	14	Do "A" Wp	112	14	1.24
	14	Do "A" Wp	113	14	1.24
	14	Do "A" Wp	114	14	1.24
	14	Do "A" Wp	115	14	1.24
	14	Do "A" Wp	116	14	1.24
	14	Do "A" Wp	117	14	1.24
	14	Do "A" Wp	118	14	1.24
	14	Do "A" Wp	119	14	1.24
	14	Do "A" Wp	120	14	1.24
	14	Do "A" Wp	121	14	1.24
	14	Do "A" Wp	122	14	1.24
	14	Do "A" Wp	123	14	1.24
	14	Do "A" Wp	124	14	1.24
	14	Do "A" Wp	125	14	1.24
	14	Do "A" Wp	126	14	1.24
	14	Do "A" Wp	127	14	1.24
	14	Do "A" Wp	128	14	1.24
	14	Do "A" Wp	129	14	1.24
	14	Do "A" Wp	130	14	1.24
	14	Do "A" Wp	131	14	1.24
	14	Do "A" Wp	132	14	1.24
	14	Do "A" Wp	133	14	1.24
	14	Do "A" Wp	134	14	1.24
	14	Do "A" Wp	135	14	1.24
	14	Do "A" Wp	136	14	1.24
	14	Do "A" Wp	137	14	1.24
	14	Do "A" Wp	138	14	1.24
	14	Do "A" Wp	139	14	1.24
	14	Do "A" Wp	140	14	1.24
	14	Do "A" Wp	141	14	1.24
	14	Do "A" Wp	142	14	1.24
	14	Do "A" Wp	143	14	1.24
	14	Do "A" Wp	144	14	1.24
	14	Do "A" Wp	145	14	1.24
	14	Do "A" Wp	146	14	1.24
	14	Do "A" Wp	147	14	1.24
	14	Do "A" Wp	148	14	1.24
	14	Do "A" Wp	149	14	1.24
	14	Do "A" Wp	150	14	1.24
	14	Do "A" Wp	151	14	1.24
	14	Do "A" Wp	152	14	1.24
	14	Do "A" Wp	153	14	1.24
	14	Do "A" Wp	154	14	1.24
	14	Do "A" Wp	155	14	1.24
	14	Do "A" Wp	156	14	1.24
	14	Do "A" Wp	157	14	1.24
	14	Do "A" Wp	158	14	1.24
	14	Do "A" Wp	159	14	1.24
	14	Do "A" Wp	160	14	1.24
	14	Do "A" Wp	161	14	1.24
	14	Do "A" Wp	162	14	1.24
	14	Do "A" Wp	163	14	1.24
	14	Do "A" Wp	164	14	1.24
	14	Do "A" Wp	165	14	1.24
	14	Do "A" Wp	166	14	1.24
	14	Do "A" Wp	167	14	1.24
	14	Do "A" Wp	168	14	1.24
	14	Do "A" Wp	169	14	1.24
	14	Do "A" Wp	170	14	1.24
	14	Do "A" Wp	171	14	1.24
	14	Do "A" Wp	172	14	1.24
	14	Do "A" Wp	173	14	1.24
	14	Do "A" Wp	174	14	1.24
	14	Do "A" Wp	175	14	1.24
	14	Do "A" Wp	176	14	1.24
	14	Do "A" Wp	177	14	1.24
	14	Do "A" Wp	178	14	1.24
	14	Do "A" Wp	179	14	1.24
	14	Do "A" Wp	180	14	1.24
	14	Do "A" Wp	181	14	1.24
	14	Do "A" Wp	182	14	1.24
	14	Do "A" Wp	183	14	1.24
	14	Do "A" Wp	184	14	1.24
	14	Do "A" Wp	185	14	1.24
	14	Do "A" Wp	186	14	1.24
	14	Do "A" Wp	187	14	1.24
	14	Do "A" Wp	188	14	1.24
	14	Do "A" Wp	189	14	1.24
	14	Do "A" Wp	190	14	1.24
	14	Do "A" Wp	191	14	1.24
	14	Do "A" Wp	192	14	1.24
	14	Do "A" Wp	193	14	1.24
	14	Do "A" Wp	194	14	1.24
	14	Do "A" Wp	195	14	1.24
	14	Do "A" Wp	196	14	1.24
	14	Do "A" Wp	197	14	1.24
	14	Do "A" Wp	198	14	1.24
	14	Do "A" Wp	199	14	1.24
	14	Do "A" Wp	200	14	1.24

## HOTELS AND CATERERS

Add'l Inc. Hq.	10			-	-	133	62
Royal (J) Pr. Mfg.	47		101.45	2.9	42.19.6	80	16
Brown Walker Sp.	---		1.02	0.7	33.88.5	62	37
Centre Hotel Bldg.	15 <sup>2</sup>		0.96	1.7	95.7.7	74	50
Cash						74	50







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# FINANCIAL TIMES

Thursday December 2 1976

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## Brokers analyse CCA impact

By MICHAEL LAFFERTY

**COMPANY SHARE** prices do not yet reflect the impact of the proposed new current cost accounting (CCA) system, although the market as a whole is discounting the overall impact, Phillips and Drew, the stockbroking firm said yesterday.

Phillips and Drew has analysed the effect of the new accounting system on the last reported results of 120 major British companies. Aggregate pre-tax profits were reduced by about 45 per cent for the current year and by 40 per cent for next year. But there is a considerable variation between sectors. Banks, contractors and stores were comparatively lightly affected. Textiles, shipping, paper and engineering were among the worst affected.

The brokers have assumed a 52 per cent tax charge on U.K. profits, plus the overseas tax actually paid. On this arbitrary basis they find that earnings attributable to shareholders fall more sharply than pre-tax profits—by 55 per cent in the current year and by 50 per cent next year.

Of the 120 companies in the Phillips and Drew sample made a CCA post-tax loss last year and an eighth are expected to do so this year. Of the 120 companies 11 would have paid out greater amounts in dividends than they had earned—even with the inclusion of the gain in money items.

Despite all the possible methods allowed by the CCA proposals for calculating distributable profits, the brokers forecast that old-fashioned price/earnings ratios and yields would remain the prime investment yardsticks.

The firm is critical of a number of the features in the accountants' proposals, including the exemption from tax on dividends for the effect of inflation on stocks, particularly in the case of long-term contracts.

There should also be firmer guidelines for the calculation of distributable profits by directors. This list shows the estimated effect of CCA on the last reported pre-tax profits of some well-known companies:

Percentage reduction	
51	Pilkington
37	Wimpey
36	GEC
36	GKN
10	Dunlop
7	Unilever
7	Debenhams
13	Marks and Spencer
12	ICI
118	Reed International

### Guidance

Quentin Guiraud, Property Correspondent writes: Property valuers yesterday welcomed the principles of current cost accounting as outlined by the Accounting Standards Committee, but maintained some strong reservations on methods. The importance of valuers will be much enhanced by proposals to insist on annual estimates of the value of land, buildings, plant and machinery.

The Inflation Accounting Steering Group has worked closely with the Royal Institution of Chartered Surveyors on questions of valuation. Yesterday the institution published its draft guidance notes on how valuers should act.

It includes slightly tighter definitions of qualified valuers and insists that neither they nor members of their firms should have any significant financial interest in client companies.

Mr. Norman Bowie, chairman of the institution's assets valuation standards committee, denied yesterday the increased use of external valuers to sample or complete company valuations would provide a bonanza for the profession.

Table, Page 9

## Weather

**U.K. TO-DAY**  
RAIN or sleet at first, becoming mainly dry later.  
S.E. England  
Rain, dry later. Wind W. to N.W., fresh. Max. 6C (43F).  
E. England  
Rain or sleet, clearing later. Wind N.W., moderate. Max. 6C (43F).  
Cent. S. England, Midlands  
Rain or sleet, dry later. Wind N.W., fresh. Max. 5C (41F).  
Channel Islands, S.W. England  
Showers, bright intervals. Wind N.W., strong or gale. Max. 5C (41F).

### BUSINESS CENTRES

Year mid-day	Year mid-day
Amsterdam 12.5	London 12.5
Antwerp 12.5	Manchester 12.5
Birmingham 12.5	Madrid 12.5
Bombay 12.5	Paris 12.5
Brexit 12.5	Rome 12.5
Buenos Aires 12.5	Stockholm 12.5
Calcutta 12.5	Switzerland 12.5
Cairo 12.5	Tokyo 12.5
Cardiff 12.5	Winnipeg 12.5
Colombo 12.5	Zurich 12.5
Copenhagen 12.5	
Dublin 12.5	
Edinburgh 12.5	
Frankfurt 12.5	
Geneva 12.5	
Glasgow 12.5	
Helsinki 12.5	
Hong Kong 12.5	
Jaipur 12.5	
London 12.5	
Lyons 12.5	
Madras 12.5	

## TUC might agree to further period of wage restraint

By ROY ROGERS, LABOUR CORRESPONDENT

THE FIRST public hint that the TUC might be prepared to accept another period of voluntary wage restraint under the present phase of pay policy expires next July came last night from Mr. Len Murray, TUC general secretary.

Speaking after a two-hour session of talks with the Prime Minister and other Ministers, Murray said that the Government had been "very guarded indeed" concerning its delicate negotiations with the International Monetary Fund. He and other members of the economic committee who attended the Downing Street meeting were given no idea as to what might be included in the anticipated package of economic measures.

The TUC, Mr. Murray said, realised that the Government had some very difficult negotiations ahead and, having made its views known, had confidence in the

Government.

But he gave a warning that the eventual package would have a decisive influence on the future of the social contract—especially any effect the measures might have on unemployment or prices.

Mr. Murray went on to press the view that the union movement would want to continue with voluntary collective bargaining and "not decline into disorder" and added that provided the social contract remained intact he did not foresee any wage explosion next year.

He would, after all, be foolish to cancel out all the gains in the fight against inflation that workers had achieved by way of sacrifice in recent years. At the same time the unions realised the Government's dilemma of having to steer a course between the demands of the international observers and governments on the one hand, and maintaining

the confidence of the TUC on the other.

At last night's meeting, TUC leaders impressed upon the Government yet again the need to continue with their agreed industrial strategy and not resort to massive new expenditure cuts. There was no question of the TUC running out on its present commitments under the social contract, said Mr. Murray, but it had been made clear to the Ministers that any Government action leading to higher unemployment would make it more difficult to negotiate a new phase of the contract.

When they consider the eventual package the TUC would attempt to distinguish between commitments under the social contract, said Mr. Murray, but it had been made clear to the Ministers that any Government action leading to higher unemployment would make it more difficult to negotiate a new phase of the contract.

## Government seeks way to fund investment aid

By ADRIAN HAMILTON

THE GOVERNMENT is still believed to be debating how it will fund additional resources promised both to the National Enterprise Board and for the new investment scheme planned by the Industry Department.

An assurance of additional funding for these purposes was made by the Chancellor of the Exchequer last July and the present intention is to announce at least the major new £70-100m. investment scheme for industry as part of the "mini-budget" package later this month.

Additional funding for the National Enterprise Board on the other hand may well have to await completion of the White Paper on Public Expenditure due early in the New Year.

The problem seems to be less the commitment to extra finance sums, but the source of the money. The Government has thought to concern about £50-£55m. a year—than the source for this finance.

With public expenditure now under close scrutiny, the Treasury is thought to be anxious to make room for this move by cuts in other industry aid schemes, particularly in the amounts available for selective

regional assistance, as well as broader cuts in the budgets of other Departments.

The new "national investment scheme" a successor to the Industry Department's highly-successful accelerated investment projects scheme, is meanwhile being pushed on as part of the package under consideration by the Cabinet.

Mr. Eric Varley, the Industry Secretary, had hoped to announce it last month—in time for the recent meeting of the National Economic Development Council on the industry strategy.

Treasury deliberations on the financing means (part of the sums may again have to come out of other allocations for industry) coupled with public relations considerations, however, have changed its timing to coincide with the expenditure cuts expected later this month.

The scheme, in which interest relief grants would be specifically aimed at encouraging companies to undertake investment for balance of payments reasons as well as to bring forward investment which might otherwise be delayed, is expected to be used as a compensating move to ex-

penditure cuts made in other areas.

The need for extra funds for the new "national investment scheme" currently allocated a nominal £25m. a year, was again stressed in a written answer by Mr. Varley in the Commons yesterday setting out policy priorities for the Board.

The guidelines expand the framework already set down earlier in the year by the Department. They make clear the Government's dislike of any notion that the Board should develop as an agency for buying into profitable parts of British industry as some elements of the Labour Party have demanded.

Instead, they put the NEB's role firmly within the context of the industrial strategy and stress that its contribution should be "selective".

The Board, it argues, should concentrate on new initiatives where it is well qualified to intervene, where maximum advantages can be obtained from resources available and as well as to bring forward investment which might otherwise be delayed, is expected to be used as a compensating move to ex-

## About 8,000 Civil Service staff over 65 to lose jobs

By DAVID CHURCHILL, LABOUR STAFF

ABOUT 8,000 civil servants aged over 65 are to be made redundant from the beginning of January because of a new Government rule imposing compulsory retirement at 65.

At present there is no maximum age limit for this move by the Government. Because until recently there were staff recruitment difficulties, Government departments have been keen to retain staff over 65, especially among the lower grades.

But the need to reduce manpower, following Government instructions earlier this year, as well as a desire to replace many of these disaffected staff, has prompted the Civil Service Department to introduce the age limit.

Already, the move has been condemned by the unions as being arbitrary and unfair to one particular group—of employees at a time when the overall manpower situation in the Civil Service is still under discussion.

The unions, who were informed of the new age limit only in the past two weeks, were asked to bring forward views on how to implement the ruling by day.

But they have firmly rejected the deadline on the grounds that the Department has been too hasty as to bring forward the age limit and redundancies should be negotiated through existing procedural arrangements.

In addition, the unions claim that there is no guarantee that enough young people will be found with the abilities and experience necessary to replace those made redundant.

Mr. Les Moody, of the Civil Service Union, whose members will be particularly hit by the move, said the Government was "wrong in principle and cruel in practice".

He said that many of his members would be forced to live on inadequate pensions because they had been with the Civil Service only a few years.

Ironically, both male and female Civil Servants are given the option to retire at 60 in most Departments, although often they have to revert to more junior grades to open up promotion prospects for younger staff. The unions are pressing for this retirement threshold to be reduced to 55.

Continued from Page 1

## Cabinet sees details

Continued from Page 1

Increases in charges for public services and work is now known to be under way on cuts in housing subsidies, which would increase council house rents.

Ministers, not only from the Left, but from the Centre and Right, are worried that the increase in prices resulting from the increase in indirect taxation will do for the TUC, necessary measures and to continuing agreement on pay restraint.

There will have to be some further cuts in expenditure over the next two to three years, and the Cabinet will be faced with a major problem of presentation. On the one hand an impressive range of Ministers would oppose cuts substantially increasing unemployment but without public spending cuts of some significance there could be a further loss of confidence in sterling following the arousal of international expectations.

There was a noticeable sense of relief among Labour MPs at Westminster yesterday following the Chancellor's statement that the IMF had recognised that the level of unemployment had a significant effect in increasing

the borrowing requirement. Meanwhile, leading U.S. politicians and economists are continuing to visit London to gauge the state of play and indicate possible U.S. attitudes.

The latest is Senator Jacob Javits, a senior and liberal Republican member of the Senate Foreign Relations Committee, who is at the end of next week Dr. Henry Kissinger is expected to be in London to see Mr. Callaghan and other senior Ministers during his visit to Europe for the NATO ministerial meeting.

In London yesterday, Senator Javits, said that the cooperation of the U.S. people and Congress for further assistance beyond the IMF loan would depend on a "standard of performance" by the British.

"The people of the U.S. will finance there could be a further loss of confidence in sterling following the arousal of international expectations."

Senator Javits also said that the question of the sterling balance should not be directly linked to the IMF loan. But he hoped to see talks start soon on this topic, and personally favoured a multilateral approach.

## Appeal by JFB on Dunford bid opens

By Terry Wilkinson, City Staff

THE BANK OF ENGLAND had been pressing Johnson and Firth Brown to join in an institutional consortium to present Dunford & Elliott with an alternative to the National Enterprise Board's financing proposals at least a week before JFB launched its £25m. bid for the company.

This emerged yesterday on the first day of JFB's application in the Court of Appeal to disclose a temporary order made on Tuesday by Mr. Justice Mocatta. The order prevents JFB from going ahead with its bid on the grounds that JFB has had access to confidential information about Dunford & Elliott.

Mr. Anthony Lloyd Q.C. for JFB, also said yesterday that JFB had, as long ago as July, written to Dunford suggesting a takeover as a possible solution to Dunford's financial problems and the threat of public ownership.

JFB's involvement with the institutions, said Mr. Lloyd, began three months later, on October 26. This was the day after an institutional consortium, which spoke for 43 per cent of Dunford's shares, had met with Dunford and its advisers, Morgan Grenfell.

The following day, Mr. Philip Ling, general manager of JFB, and his personal assistant visited Prudential Assurance where they were shown confidential documents given to the Prudential by Dunford in support of proposals for a £5m. rights issue.

A few days later, said Mr. Lloyd, Sir Henry Benson, industrial adviser to the Bank of England, told JFB that he had been given JFB's bid by GKN, would subscribe £500,000 each and join in the consortium.

Mr. Lloyd also said that Dunford was alarmed at the amount of information which the Prudential had given JFB and that the Prudential's answers on this were, according to Justice Mocatta's judgment at the injunction hearings, "less than satisfactory".

### Irrelevant

Mr. Lloyd argued that the information given to JFB, largely a budget summary containing borrowings projections and sales and profits forecasts, and an engineering report by consultants, was irrelevant to JFB's subsequent bid which came five days after Dunford rejected the idea of JFB's inclusion in the rights issue consortium.

It was irrelevant, Mr. Lloyd argued yesterday, because Mr. Ling of JFB, found the forecasts "incredible" and over-optimistic and a great deal of the other details to be common knowledge.

He suggested that the information should be made freely available to other shareholders. The injunction was preventing shareholders from deciding on the issue, which was contrary to the general principle of the City Code.

Mr. Lloyd said that Mr. Justice Mocatta had not considered the merits of the case, but had been concerned to preserve what he believed to be the status quo. "By granting the injunction he was, in effect, deciding the issue."

It was, he said, "this bizarre case," Mr. Lloyd stated that Morgan Grenfell, on behalf of Dunford, had approached the Takeover Panel the day after the bid was announced to ask for a ban on JFB purchases of Dunford shares, because JFB had price sensitive information.

Continued from Page 1

## IMF

Cabinet have served only to remind the IMF of the extreme delicacy of the British political situation.

This is a major reason why the Fund wants, it is possible, to avoid being cast in the role of imposing any firm public sector borrowing target. It would much prefer the British Government to be seen taking the decision on its own.

It is argued strongly in some quarters that political problems might have been avoided if discussions about the loan had taken place initially at a much higher level.

Broad agreement might then have been reached before the Fund team was despatched. Some senior IMF officials even fear that there is the danger that more may have been lost than gained during the period in which the negotiations had taken place.

On the question of the sterling balance, it is understood that some members of the Group of Ten might favour a quick declaration of support for talks as soon as the U.K. Government announced its package.

This may well be forthcoming but other members and some Fund officials apparently feel that it must be clear that the British measures are credible in the foreign exchange markets and elsewhere before there can be a significant agreement about these talks.

## THE LEX COLUMN

# Where CCA will bite hard

Index rose 3.7 to 301.3

EFFECT OF CURRENT COST ACCOUNTING ON EARNINGS	
REDUCTION IN CURRENT YEAR ESTIMATES	REDUCTION IN NEXT YEAR ESTIMATES
27.2% CONTRACTING	27.2% CONTRACTING
35.7% TOBACCO	35.7% TOBACCO
45.7% CHEMICALS	45.7% CHEMICALS
48.7% BREWERIES	48.7% BREWERIES
56.7% FOOD MANUFACTURING	56.7% FOOD MANUFACTURING
59.7% OILS	59.7% OILS
62.7% ELECTRICALS	62.7% ELECTRICALS
65.7% GEN. ENGINEERING	65.7% GEN. ENGINEERING
68.7% SHIPBUILDING	68.7% SHIPBUILDING
71.7% TEXTILES	71.7% TEXTILES

for distribution of £137m. This would have been enough to cover the 1975 payout more than twice.

P and D's main problems in producing their estimates have been in interpreting the Morpheus definition of contract work in progress. This obviously favours the apparent profits of specialist contractors. But it is possible that many manufacturing companies could argue that they do substantial contract work; the brokers have only allowed for this in the cases of some engineering companies.

But P and D are, of course, strong advocates of the incorporation of monetary adjustments in inflation accounting. The Morpheus proposals do allow some scope for this in the appropriation account, where companies can if they wish retain part of the revaluation surplus for distribution. If the debt-financed proportion of these gains is added to earnings, a considerably different picture emerges.

On this basis only one in ten of the companies will be paying uncovered dividends for the current year. A carefully worked example, taking ICI as the subject, shows how it might work. For 1975 ICI's attributable historic cost earnings of £191m. would have shrunk, according to the brokers, to only £23m. on applying the current cost method. The net surplus on revaluation of assets, however, would be massive by comparison at £361m.—and with debt financing 18 per cent of this is substantial release is possible to cover the dividends. The actual figure, after adjustments, comes to £114m., giving a total available

around £25m. Sachs could chip

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in an extra 5p per share. GKN's estimated 45p, putting the shares, which closed higher at 232p last night, on prospective multiple of under 10.

**Fairey.** After six months, Fairey £0.8m. ahead at £2.1m. pre-tax. But a reduction in learnt costs, which amounted £1.45m. in 1975-76, may have accounted for more than five-fifths of the upturn and currency translation profits may have been useful. The charge is beginning to rise after last year's rights issue. Fairey will have to push quite a lot faster in the current six months to March if it is to avoid a deterioration in earnings per share. Last year published figure was 13p; of side forecasts suggest that profits could reach 25m. p.a. in 1976-77 for fully tax earnings of under 12p.

The big engineering divison has apparently run into slower order intake in giro bridges and industrial products must be growing increasingly uneasy about the demand look. But the survey operators are the only division to see a profits setback for the year.

The shares at 58p yield prospective 10 per cent and fully taxed p/e is about 5. The market is making a far cooler appraisal of 1977 and initial pay-off from the m. £16 and MRCA contracts.

**Vickers da Costa.** Latest evidence of the squeeze on Stock Exchange members comes from bro Vickers da Costa, which in 16 months to the end of Aug has produced profits of £17 (including a £163,000 current surplus) compared with p.a. of £412,000 for the 12 months to April. A seasonal upthrust the international business August has just about enough to offset the loss Vickers, with its concentration on equities, has continued suffer in the U.K. since Aug. But the total number employees around the world now just half of that three years ago.

One point to note is that the figures had been drawn in terms of a partnership structure, U.K. losses of £350, over the period would have been transformed into a small profit.



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